

Canadian Food Inspection Agency

2013-14

Departmental Performance Report

Approved:

The Honourable Rona Ambrose, PC, MP
Minister of Health

For the period ending March 31, 2014

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Table of Contents

Foreword	v
Minister's Message	1
Section I: Organizational Expenditure Overview	3
1.1 Organizational Profile	3
1.2 Organizational Context	4
1.3 Actual Expenditure	18
1.4 Alignment of Spending With the Whole-of-Government Framework	21
1.5 Departmental Spending Trend	22
1.6 Estimates by Vote	24
Section II: Analysis of Programs by Strategic Outcome	25
2.1 Strategic Outcome: A Safe and Accessible Food Supply and Plant and Animal Resource Base	25
2.1.1 Food Safety Program	27
2.1.1.1 Sub-Program: Meat and Poultry	31
2.1.1.2 Sub-Program: Egg	33
2.1.1.3 Sub-Program: Dairy	34
2.1.1.4 Sub-Program: Fish and Seafood	35
2.1.1.5 Sub-Program: Fresh Fruit and Vegetables	36
2.1.1.6 Sub-Program: Processed Products	38
2.1.1.7 Sub-Program: Imported and Manufactured Food Products	38
2.1.2 Animal Health and Zoonotics Program	40
2.1.2.1 Sub-Program: Terrestrial Animal Health	43
2.1.2.2 Sub-Program: Aquatic Animal Health	45
2.1.2.3 Sub-Program: Feed	46
2.1.3 Plant Resources Program	48
2.1.3.1 Sub-Program: Plant Protection	50
2.1.3.2 Sub-Program: Seed	52
2.1.3.3 Sub-Program: Fertilizer	54
2.1.3.4 Sub-Program: Intellectual Property Rights	55
2.1.4 International Collaboration and Technical Agreements	57
2.1.5 Internal Services	61

Section III: Supplementary Information	65
3.1 Financial Highlights	65
3.2 Financial Statements	71
3.3 Supplementary Information Tables	97
3.4 Tax Expenditures and Evaluations Report	98
Section IV: Organizational Contact Information	99
Appendix: Definitions	101
Endnotes	103

Foreword

Departmental Performance Reports are part of the Estimates family of documents. Estimates documents support appropriation acts, which specify the amounts and broad purposes for which funds can be spent by the government. The Estimates document family has three parts.

Part I (Government Expenditure Plan) provides an overview of federal spending.

Part II (Main Estimates) lists the financial resources required by individual departments, agencies and Crown corporations for the upcoming fiscal year.

Part III (Departmental Expenditure Plans) consists of two documents. Reports on Plans and Priorities (RPPs) are expenditure plans for each appropriated department and agency (excluding Crown corporations). They describe departmental priorities, strategic outcomes, programs, expected results and associated resource requirements, covering a three-year period beginning with the year indicated in the title of the report. Departmental Performance Reports (DPRs) are individual department and agency accounts of actual performance, for the most recently completed fiscal year, against the plans, priorities and expected results set out in their respective RPPs. DPRs inform parliamentarians and Canadians of the results achieved by government organizations for Canadians.

Additionally, Supplementary Estimates documents present information on spending requirements that were either not sufficiently developed in time for inclusion in the Main Estimates or were subsequently refined to account for developments in particular programs and services.

The financial information in DPRs is drawn directly from authorities presented in the Main Estimates and the planned spending information in RPPs. The financial information in DPRs is also consistent with information in the Public Accounts of Canada. The Public Accounts of Canada include the Government of Canada Consolidated Statement of Financial Position, the Consolidated Statement of Operations and Accumulated Deficit, the Consolidated Statement of Change in Net Debt, and the Consolidated Statement of Cash Flow, as well as details of financial operations segregated by ministerial portfolio for a given fiscal year. For the DPR, two types of financial information are drawn from the Public Accounts of Canada: authorities available for use by an appropriated organization for the fiscal year, and authorities used for that same fiscal year. The latter corresponds to actual spending as presented in the DPR.

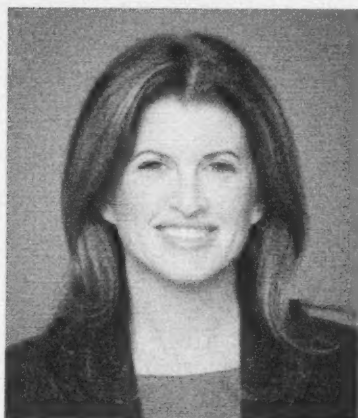
The Treasury Board *Policy on Management, Resources and Results Structures* further strengthens the alignment of the performance information presented in DPRs, other Estimates documents and the Public Accounts of Canada. The policy establishes the Program Alignment Architecture of appropriated organizations as the structure against which financial and non-financial performance information is provided for Estimates and parliamentary reporting. The same reporting structure applies irrespective of whether the organization is reporting in the Main Estimates, the RPP, the DPR or the Public Accounts of Canada.

A number of changes have been made to DPRs for 2013–14 to better support decisions on appropriations. Where applicable, DPRs now provide financial, human resources and performance information in Section II at the lowest level of the organization's Program Alignment Architecture.

In addition, the DPR's format and terminology have been revised to provide greater clarity, consistency and a strengthened emphasis on Estimates and Public Accounts information. As well, departmental reporting on the Federal Sustainable Development Strategy has been consolidated into a new supplementary information table posted on departmental websites. This new table brings together all of the components of the Departmental Sustainable Development Strategy formerly presented in DPRs and on departmental websites, including reporting on the Greening of Government Operations and Strategic Environmental Assessments. Section III of the report provides a link to the new table on the organization's website. Finally, definitions of terminology are now provided in an appendix.

Minister's Message

The Honourable Rona Ambrose, PC, MP, Minister of Health



Our Government continues to put the health and safety of Canadians first. As the Canadian Food Inspection Agency's (CFIA) 2013–14 *Departmental Performance Report* clearly shows, Canadian families can continue to have confidence that our food safety system remains one of the very best in the world. It also demonstrates our Government's ongoing commitment to collaboration, clarity and modernization.

Collaboration

Mitigating risks to food safety is the CFIA's highest priority. Safeguarding the health and well-being of Canadians, our environment and economy is the driving

force behind the design and development of CFIA programs.

Under the Health Portfolio and the Healthy and Safe Food for Canadians Framework, the CFIA's already strong working relationship with Health Canada and the Public Health Agency of Canada continues to grow – providing a modern, coordinated approach to food safety. The three pillars of this framework are:

- Promotion;
- Prevention; and
- Protection.

In collaboration and partnership with industry, consumers, and federal, provincial and municipal organizations, the Agency continues to work towards protecting Canadians from preventable health risks related to food and zoonotic diseases. This was successfully demonstrated at the 2014 Healthy and Safe Food Forum in June, where proposed changes to bring the *Safe Food for Canadians Act* into force were openly discussed with Canadian and international stakeholders.

Clarity

The CFIA, a science-based agency, is committed to transparency and using plain language to better communicate complex information.

Some key examples of this are:

- Implementing the CFIA Online Labelling Tool in March 2014. The tool provides consumers and industry with user-friendly access to information regarding regulatory requirements for labelling food, such as consumer specific information and education on food labelling;

- Proactively communicating with the public about food recalls, compliance and enforcement actions and other Agency information through social media (Facebook, Twitter and LinkedIn); and
- Developing advanced food recall warnings, infographics and online interactive tools that make both recalls and the recall process easier to understand.

Modernization

The CFIA continues to pursue its agenda of transformation and modernization by:

- Continuing work and active consultations on modernizing new regulations for the *Safe Food for Canadians Act* since its passage in November 2012; and
- Introducing the proposed Agricultural Growth Act in December 2013, providing for changes to strengthen the safety of agricultural products – the first link in the food chain.

The Honourable Rona Ambrose, PC, MP
Minister of Health

Section I: Organizational Expenditure Overview

1.1 Organizational Profile

Minister: The Honourable Rona Ambrose, PC, MP

Deputy Head: Bruce Archibald

Ministerial portfolio: Health

Year established: 1997

Main legislative authorities:

CFIA Wide

- Canadian Food Inspection Agency Actⁱ
- Agriculture and Agri-Food Administrative Monetary Penalties Actⁱⁱ

Food Safety

- Food and Drugs Actⁱⁱⁱ (as it relates to food)
- Safe Food for Canadians Act^{iv} (SFCA) (Once brought into force, the SFCA will replace the following):
 - Canada Agricultural Products Act^v
 - Consumer Packaging and Labelling Act^{vi} (as it relates to food)
 - Fish Inspection Act^{vii}
 - Meat Inspection Act^{viii}

Plant

- Fertilizers Act^{ix}
- Plant Breeders' Rights Act^x
- Plant Protection Act^{xi}
- Seeds Act^{xii}

Animal Health

- Health of Animals Act^{xiii}
- Feeds Act^{xiv}

1.2 Organizational Context

1.2.1 Raison d'être

The Canadian Food Inspection Agency (CFIA) is Canada's largest science-based regulatory agency. It has approximately 6,925¹ employees working across Canada in the National Capital Region (NCR) and in four operational areas (Atlantic, Quebec, Ontario and Western).

The CFIA is dedicated to safeguarding food, animal, and plant health, which enhances the health and well-being of Canada's people, environment, and economy.

The CFIA develops and delivers inspection and other services in order to:

- prevent and manage food safety risks;
- protect plant resources from pests, diseases and invasive species;
- prevent and manage animal and zoonotic diseases;
- contribute to consumer protection; and
- contribute to market access for Canada's food, plants, and animals.

The CFIA bases its activities on science, effective risk management, commitment to service and efficiency, and collaboration with domestic and international organizations that share its objectives.

¹ This number includes active employees as well as those on paid or unpaid leave.

1.2.2 Responsibilities

The CFIA is responsible for administering and enforcing 13 federal statutes and 38 sets of regulations, for regulating the safety and quality of food sold in Canada, and for supporting a sustainable plant and animal resource base. In November 2012, the *Safe Food for Canadians Act* received Royal Assent. This new legislation, when in force, will also bring into effect new regulations that provide the necessary legal framework for a single, consistent approach to strengthening food inspection in Canada. The *Safe Food for Canadians Act* consolidates and replaces the *Fish Inspection Act*, the *Canada Agricultural Products Act*, the *Meat Inspection Act*, and the food provisions of the *Consumer Packaging and Labelling Act*.

The CFIA shares many of its core responsibilities with other federal departments and agencies, with provincial, territorial and municipal authorities, with private industry, and with other stakeholders. The CFIA works with its partners to implement food safety measures; manage food, animal, and plant risks, incidents and emergencies; and promotes the development of food safety and disease control systems to maintain the safety of Canada's high-quality agriculture, agri-food, aquaculture and fishery products. The CFIA's activities include verifying the compliance of imported products; registering and inspecting establishments; testing food, animals, plants, and their related products; and approving the use of many agricultural inputs.

Additionally, the CFIA actively participates in international fora for the development of international science-based rules, standards, guidelines and policies. It also engages in the management of sanitary and phytosanitary committees established under international agreements and actively promotes the Canadian science-based regulatory system among foreign trading partners. The CFIA negotiates to resolve scientific and technical issues, contributing to market access for Canadian goods. It also provides scientific advice, develops new technologies, provides testing services, and conducts regulatory research.

At the CFIA, decisions are based on high-quality, timely, relevant science. Science informs policy development and program design and delivery through foresight, advice, risk assessment, the influence of international standards, research and development, and testing.

THE CFIA'S KEY FEDERAL PARTNERS

- Health Canada
- Public Health Agency of Canada
- Agriculture and Agri-Food Canada
- Canada Border Services Agency
- Canadian Grain Commission
- Public Safety Canada
- Fisheries and Oceans Canada
- Natural Resources Canada, including Canadian Forest Service
- Foreign Affairs and International Trade Canada
- Environment Canada, including Canadian Wildlife Service

1.2.3 Strategic Outcome and Program Alignment Architecture (PAA)

To effectively fulfill its responsibilities in safeguarding Canada's food and sustaining its animal and plant resource base, the CFIA aims to achieve its strategic outcome² (A safe and accessible food supply and plant and animal resource base). The CFIA's Program Alignment Architecture (PAA) illustrates the Agency's plans to allocate and manage its resources to achieve the corresponding expected results. The Agency's priorities are reviewed annually to facilitate effective resource management within the context of the PAA framework. The four priority areas established in 2012–13 are detailed further in Section 1.5 and Section II.

1. Strategic Outcome: A safe and accessible food supply and plant and animal resource base.

1.1 Program: Food Safety Program

1.1.1 Sub Program: Meat and Poultry

1.1.2 Sub Program: Egg

1.1.3 Sub Program: Dairy

1.1.4 Sub Program: Fish and Seafood

1.1.5 Sub Program: Fresh Fruits and Vegetables

1.1.6 Sub Program: Processed Products

1.1.7 Sub Program: Imported and Manufactured Food Products

1.2 Program: Animal Health and Zoonotics Program

1.2.1 Sub Program: Terrestrial Animal Health

1.2.2 Sub Program: Aquatic Animal Health

1.2.3 Sub Program: Feed

1.3 Program: Plant Resources Program

1.3.1 Sub Program: Plant Protection

1.3.2 Sub Program: Seed

1.3.3 Sub Program: Fertilizer

1.3.4 Sub Program: Intellectual Property Rights

1.4 Program: International Collaboration and Technical Agreements

Internal Services

² A Strategic Outcome is defined as a long-term and enduring benefit to Canadians that stems from the Agency's vision and mission. It represents the difference the Agency intends to make for Canadians.

1.2.4 Organizational Priorities

For the 2013–14 fiscal year, the CFIA focussed on four strategic business priorities. The following table summarizes the Agency's performance with respect to achieving these priorities. Additional details are provided in Section II.

Priority	Type ¹	Strategic Outcome and/or Program
An increased focus on prevention which will provide an opportunity to minimize risks to human, animal and ecosystem health	Previously committed to	Food Safety Program, Animal Health and Zoonotics Program, Plant Resources Program, and International Collaboration and Technical Agreements
Summary of Progress		
<p>The CFIA has been integrating proactive and preventive risk management approaches into its programs, including focusing on partnerships and information sharing, all of which help the CFIA to anticipate, prevent, prepare, and manage issues, including emergencies. In 2013–14, the CFIA:</p> <ul style="list-style-type: none"> • continued modernizing its legislative and regulatory frameworks in preparation for the coming into force of the <i>Safe Food for Canadians Act</i> (SFCA) and in anticipation of the passage of Bill C-18, the <i>Agricultural Growth Act</i>; • made progress towards the development and validation of a Risk Assessment (RA) Model for food commodities. Stakeholders outreach was undertaken. Once fully implemented, the RA Model will provide a standard consistent approach to oversight activities across all commodities. • hosted the Food Safety Regulatory Forum on June 4, 2013, which formally launched a number of consultations on key food safety and consumer protection initiatives, including the proposed regulatory framework; • enhanced controls in federally registered establishments so that meat products continue to be in compliance with federal regulations, and risks associated with <i>E.coli</i> O157:H7 are mitigated; • as part of its Feeds Regulatory Renewal initiative, conducted consultations with key stakeholders to increase the safety of animal feeds and prevent the transmission of diseases into the food chain; • provided educational material for domestic invasive plant surveys and early detection; • signed a zoning agreement with the United States (US) which provides a mechanism to mitigate the impact of a disease outbreak and could facilitate earlier resumption of trade from disease-free zones; • under the leadership of the Chief Veterinary Officer (CVO) of Canada, collaborated and regularly engaged with federal, provincial, and industry stakeholders to facilitate a co-ordinated approach to Porcine Epidemic Diarrhea (PED) both before and after its introduction into Canada, to mitigate the impact of this disease. As an example, the CVO facilitated a PED forum which served as a platform for the stakeholder community to engage in dialogue on the US and Canadian experience with this disease; 		

¹ Type is defined as follows: previously committed to – committed to in the first or second fiscal year prior to the subject year of the report; ongoing – committed to at least three fiscal years prior to the subject year of the report; and new – newly committed to in the reporting year of the Report on Plans and Priorities or the Departmental Performance Report.

Summary of Progress *continued*

- developed the Integrated Food Inspection Model to improve food inspection and implement a single risk-based inspection approach across all commodities, including the development of standardized and more efficient business processes across the Agency;
- coordinated, in concert with the United States Department of Agriculture (USDA), assessments of countries regulated for a particularly destructive invasive species, the Asian Gypsy Moth and worked in partnership with the U.S. to manage the risks from this pest at the countries of origin; and
- worked in the International Plant Protection Convention and with trading partners to enhance implementation of international standards for phytosanitary measures that will restrict the movement of plant pests, and to develop new standards that will be effective in this objective.

Priority	Type ³	Strategic Outcome and/or Program
The CFIA's role as an effective regulator will be enhanced by a focus on service excellence	Previously committed to	Food Safety Program, Animal Health and Zoonotics Program, Plant Resources Program, and International Collaboration and Technical Agreements
Summary of Progress		
<p>Strengthening the citizen-centred service delivery culture will enhance program delivery and the confidence of domestic and international stakeholders in the CFIA as a trusted and credible regulator. The CFIA:</p> <ul style="list-style-type: none"> • engaged stakeholders to develop recommendations for a more modern and innovative food labelling system; • developed the Centre of Administration (CoA) model, which was launched on April 1, 2014, to centralize and consolidate the administration of domestic and import-related permissions (licences, permits and registrations); • continued the development of service standards in conjunction with the User Fee Review of all authorizations with fee-based services, as part of the Agency's Regulatory Modernization initiative; • completed the Agency's Guidance Document initiative, which ensures that the CFIA's official regulatory Guidance documents used by inspectors and industries are available in a central website location; • reached a mutually acceptable agreement on facilitating pet food trade with China. As a result, Canadian pet food plants can now export their products to China, thus expanding market access opportunities; • continued to work with industry to develop biosecurity standards for the plant and animal sectors and upgraded Codes of Practice with respect to animal welfare; • using information gathered from the Complaints and Appeals Office, identified opportunities for service improvement; and • continued to expand the release of information on its website for consumers and stakeholders. 		

Priority	Type ³	Strategic Outcome and/or Program
Adapt and evolve to meet new demands and expectations with a focus on internal performance excellence	Previously committed to	All Programs
Summary of Progress		
<p>Optimizing performance will enable the CFIA to evaluate the effectiveness of the Agency's policies and programs and to allocate resources to areas of highest risk. In 2013–14, the CFIA:</p> <ul style="list-style-type: none"> • developed and implemented a Real Property Management Framework in an effort to define and align accountabilities for the management of real property; • enhanced strategic procurement planning by linking procurement planning to projects and programs on an Agency-wide basis; • developed internal reporting tools to enable discussion and action to highlight potential issues; and • provided training under modernized inspection framework. 		

Priority	Type ³	Strategic Outcome and/or Program
Focussing on people who are supported by training and tools	Previously committed to	All Programs
Summary of Progress		
<p>Focussing on diverse talent, supported by training and modern tools, will result in a stable and skilled CFIA workforce and adaptable and satisfied employees. In 2013–14, the CFIA:</p> <ul style="list-style-type: none"> • implemented the new Staffing Framework and Service Delivery Model; • introduced a multi-channel HR contact centre (i.e. telephone, e-mail, mail), that has streamlined service delivery for managers and employees so as to increase efficiency and effectiveness; and • launched the Supervisors' School to provide new supervisors with people management and HR skills to successfully lead their employees in the new Agency culture. The school was piloted in 2013–14 with 7 sessions held – 6 English and 1 French – resulting in 125 supervisors receiving the training. 		

1.2.5 Risk Analysis

The CFIA is responsible for identifying and managing risks to the food supply and the plant and animal resource base, on which safe food and a prosperous economy depends. As such, integrated risk management is an integral part of policy, priority setting, planning, resourcing, delivery, review and reporting activities.

The vast majority of risks that fall within the Agency's mandate are managed in concert with numerous domestic and international partners and stakeholders. Factors influencing key strategic risks faced by the Agency include (but are not limited to):

- the emergence of new pathogens due to increases in international travel and trade, microbial adaptation, changes in production methods and distribution as well as human demographics and behaviour;
- a greater understanding of the convergence of human, animal and ecosystem health issues;
- the emergence of global supply chains, which have fundamentally changed the way agricultural products are produced, processed, packaged, distributed and sold;
- an increase in the volume and variety of goods coming into Canada;
- increased export opportunities for Canadian producers, coupled with changing international standards and more stringent requirements;
- rapid advances in processing and manufacturing technologies, which require legislative and regulatory frameworks to adapt quickly in order to keep pace;
- an increasingly knowledgeable, demanding and risk-averse consumer and stakeholder base; and
- a growing international consensus around the need for common scientific standards and approaches to support industry oversight and the global agri-food trade.

A cornerstone of the CFIA's risk management is the Agency-wide Corporate Risk Profile (CRP). The 2013 CRP presents risk statements and strategies to reduce risks to levels the Agency deems tolerable. The results of the corporate risk profiling process have directly informed the priorities presented in Section 1.5 and the strategies presented throughout this DPR.

Table 1 highlights the CFIA's key strategic risks, planned responses, and notes what was done in 2013–14 to minimize risks. The risks outlined below were identified in the 2013–14 RPP. Given that the Agency's key corporate risks are currently unchanged, and that response strategies are relatively long-term in nature, the risk responses were not significantly modified from the previous report. All corporate risks link to the CFIA's Strategic Outcome of a safe and accessible food supply and plant and animal resource base.

Table 1: Risk Summary

Risk	Risk Response Strategy ⁴	Link to Program Alignment Architecture
<p>Management Information and IM/IT Infrastructure:</p> <p>Potential Threat: The ability to make risk-based decisions due to the lack of timely, accurate and useful data and information.</p> <p>The Agency's diverse information requirements and national presence has resulted in an IM/IT infrastructure that contains a complex mix of new and old equipment supporting multiple IM/IT systems and databases. Differences in how information is collected, analyzed and used across multiple systems and hardware may impede information sharing and timely operational and regulatory decision making.</p>	<p>IM/IT Campaign Plan</p> <ul style="list-style-type: none"> • Developed a policy for documenting IM decisions and actions, IT Security Standards and Guidelines and a modernized Business Application Plan. • Began designing the new Electronic Service Delivery Platform (ESDP) to support the Agency's modernized inspection regime and enhance risk-based decision making. <p>Business Information Management Centre (BIMC)</p> <ul style="list-style-type: none"> • Developed and implemented a quarterly performance and monitoring dashboard that better highlights frontline operation areas requiring senior management attention. • Implemented an information management governance model. <p>Strengthen Planning, Reporting and Performance Monitoring</p> <ul style="list-style-type: none"> • Renewed the planning process framework by incorporating lessons learned, emerging realities, and timely risk assessments. • Implemented a standardized semi-annual reporting framework to enable monitoring progress against Agency priorities and serves to complement quarterly operational dashboard reporting for senior management. <p>Knowledge Workspace Program</p> <ul style="list-style-type: none"> • Delivered the Knowledge Workspace Program to upgrade desktop computers. 	<p>Linked to the CFIA's Strategic Outcome of a safe and accessible food supply and plant and animal resource base.</p>

⁴ All achievements below were committed to in the 2013-14 Report on Plans and Priorities.

Risk	Risk Response Strategy ⁴	Link to Program Alignment Architecture
<p>Inspection Effectiveness:</p> <p>Potential Threat: The ability to have appropriate inspection effectiveness to expeditiously prevent, detect and respond to threats to food safety, animals and plants.</p> <p>The Agency delivers 14 independently evolved inspection programs, each having diverse and complex requirements for training, information collection and industry compliance based on the commodity being regulated. Currently, the Agency's resource efficiency is impacted due to the maintenance of multiple training programs and IM/IT systems used to address distinct variations in inspection processes, tools, and information collection.</p>	<p>Legislative Renewal</p> <ul style="list-style-type: none"> • Began drafting new food inspection regulations with respect to licensing, trade, traceability, preventive control plans, and food safety requirements, in preparation for the coming into force of the <i>Safe Food for Canadians Act</i>. • Developed Food Program Framework policy suite and new guidance documents that facilitate compliance and will help implementation of the new proposed food inspection regulations • Proposed <i>Agricultural Growth Act</i>, Bill C-18, tabled in December 2013. Bill proposes to enhance suite of statutes regulating the agricultural sector. <p>Inspection Modernization initiative</p> <ul style="list-style-type: none"> • Developed a Compliance Promotion Strategy to increase awareness, improve understanding and foster continuous improvement of inspection. • Implemented a revised inspection model. <p>Food Program Framework and redesign</p> <ul style="list-style-type: none"> • Began developing a risk assessment model in support of the five-year \$100 million food inspection modernisation plan under Economic Action Plan 2011. • Finalized an improved inspection model, the integrated Agency Inspection Model (iAIM), permitting a more consistent and risk-based approach to program delivery. • In support of its inspection modernization model, and in response to the recommendations of the independent review of the XL Foods recall, implemented Inspection Verification Teams to oversee the performance of Canada's food safety system. 	<p>Linked to the CFIA's Strategic Outcome of a safe and accessible food supply and plant and animal resource base.</p>

Risk	Risk Response Strategy ⁴	Link to Program Alignment Architecture
<p>Scientific Capability:</p> <p>Potential Threat: The ability to have the scientific capability to adapt and respond in a timely manner.</p> <p>Advancements in science and technology have increased the complexity of the commodities the Agency regulates. Additionally, there is growing international consensus around the need for common scientific equipment and approaches to support industry oversight and the global agri-food trade. The Agency is expected to maintain an employee base and modern laboratory facilities that reflects these advancements in regulated products and international requirements.</p>	<p>Laboratory Infrastructure Strategy</p> <ul style="list-style-type: none"> • Awarded engineering and design contacts, and procured modern food safety laboratory equipment for the St-Hyacinthe and Toronto laboratory. <p>Human Resources Modernization</p> <ul style="list-style-type: none"> • Implemented the new Staffing Framework and Service Delivery Model. <p>Enhance Laboratory Response Capacity</p> <ul style="list-style-type: none"> • Hired highly skilled scientists for targeted laboratories. • Started the development of a genomics training program and method development work plan. <p>Enhance Surveillance and Foresight</p> <ul style="list-style-type: none"> • Collaborated with Health Canada, Public Health Agency of Canada, and other levels of government to develop a strategy for a national food safety information network that will contribute to the anticipation, detections, and response to foodborne illnesses. 	<p>Linked to the CFIA's Strategic Outcome of a safe and accessible food supply and plant and animal resource base.</p>

Risk	Risk Response Strategy ⁴	Link to Program Alignment Architecture
<p>Legislative, Regulatory and Program Framework:</p> <p>Potential Threat: The ability of the current legislative, regulatory and program framework to support the effective delivery of the Agency's mandate.</p> <p>Rapid advances in processing and manufacturing technologies have resulted in significant increases in production speed, volume and diversity, requiring the subsequent need for updated legislative and regulatory frameworks. Statutes and authorities impact the design and delivery of programs that regulate new commodities and support economic competitiveness within the industry.</p>	<p>Legislative Renewal</p> <ul style="list-style-type: none"> • <i>Safe Food for Canadians Act</i> was passed • Tabled the <i>Proposed Agricultural Growth Act</i>. <p>Multi-Year Regulatory Plan</p> <ul style="list-style-type: none"> • Renewed Seed, Fertilizer and Feed regulations • 13 sets of food regulations being replaced with a single set of food inspection regulations and a single food program with supporting guidance documents. • Plant Breeders' Rights being modernized for better protection of and benefits to breeders. <p>Food Safety Program Frameworks and redesign:</p> <ul style="list-style-type: none"> • Developed and piloted a more structured approach to analyzing risks and hazards to help determine the frequency, intensity and type of oversight required. • Began implementing a multi-year project of establishing 16 centres of expertise (CoE) across Canada. Each CoE will offer greater consistency in program interpretation and delivery to front-line inspectors of the CFIA, as well as regulated parties, while at the same time consolidating program and administrative expertise in order to improve the effectiveness, efficiency, and quality of service delivery. Much of the effort in this area for 2013-14 was spent in building the infrastructure in support of CoEs. <p>User Fee / Service Standard Modernization</p> <ul style="list-style-type: none"> • Continued the review of User Fees associated with four major programs – Health of Animals, Fish and Seafood, Meat Inspection (Livestock and Poultry Grading) and Plant Protection. <p>E-business and e-certification</p> <ul style="list-style-type: none"> • Continued modernizing frameworks and tools including an electronic interface which has enhanced the facilitation of trade. 	<p>Linked to the CFIA's Strategic Outcome of a safe and accessible food supply and plant and animal resource base.</p>

Risk	Risk Response Strategy ⁴	Link to Program Alignment Architecture
<p>Managing Change: Potential Threat: The ability to effectively manage change on an ongoing basis.</p> <p>The global evolution of economic, social and environmental factors influences the regulatory and business environment within which the Agency operates. Consequently, fiscal restraint is growing in importance, as is the subsequent need for greater innovation to achieve efficiency while maintaining or increasing effectiveness in the way the Agency does its business and delivers its mandate.</p>	<p>One way we are managing this risk is the creation of the Agency Transformation Office (ATO) and governance structure with:</p> <ul style="list-style-type: none"> • A dedicated project management capacity; • A streamlined governance; and • Common systems <p>Human Resources Modernization Strategy</p> <ul style="list-style-type: none"> • Continued modernizing people management with a new staffing framework that places emphasis on talent management, which will impact training, recruitment and retention process. <p>Reinforce Values and Ethics Ethical Risk Profiles (ERP)</p> <ul style="list-style-type: none"> • Developed comprehensive ERPs for each Branch which included detailed risk treatment plans. <p>Strengthen Planning, Reporting and Performance Monitoring</p> <ul style="list-style-type: none"> • The CFIA continued to implement an enhanced business and operational planning, monitoring and reporting system that is based on the provision of clear science and risk-based functional direction process. This process has contributed to the effective and efficient use of inspection resources, has improved overall information sharing between branches and increased alignment of program design to operational delivery capacity across programs. • Renewed the planning process framework to reflect lessons learned, emerging realities and incorporate timely risk assessments. • Implemented a standardized semi-annual reporting framework to enable monitoring progress against Agency priorities and serves to complement quarterly operational dashboard reporting for senior management. 	<p>Linked to the CFIA's Strategic Outcome of a safe and accessible food supply and plant and animal resource base.</p>

Risk	Risk Response Strategy ⁴	Link to Program Alignment Architecture
Managing Change <i>continued</i>	<p>Enhance Project Management</p> <ul style="list-style-type: none"> • Implemented phase 3 of the four-year Project Management Improvement Agenda Project (PMIAP), which focuses on maturing project management through the Enterprise Project Management Framework (ePMF). <p>Enhance Internal and Public Engagement</p> <ul style="list-style-type: none"> • Implemented clearer communication and decision-making channels by updating the Terms of Reference (TORs) of the business line committees. • Continued public engagement on key Agency initiatives such as consultation on draft regulations for the new Safe Food for Canadians Act through the Agency's Food forum and partnering with other government entities to raise public awareness around food safety. 	

Risk	Risk Response Strategy ⁴	Link to Program Alignment Architecture
<p>Transparency and Leveraging Relationships:</p> <p>Potential Opportunity: Opportunity for the Agency to increase its transparency and accountability to stakeholders.</p> <p>Information sharing enables regulated parties to take steps to ensure compliance and helps to increase public awareness and confidence in the Canadian marketplace. Diverse methods exist to engage and collaborate with industry, other governmental stakeholders and the public to enhance the development of outputs that are mutually beneficial and agreed-upon.</p>	<p>Public and Industry Engagement in the coming into Force of the <i>Safe Food for Canadians Act</i></p> <ul style="list-style-type: none"> Continued broad engagement and consultation on draft regulations for the new <i>Safe Food for Canadians Act</i> through the Agency's Food forum and partnering with other government entities to raise public awareness around the new Act and food safety in general. <p>Electronic Service Delivery Platform (ESDP)</p> <ul style="list-style-type: none"> Continued to design the ESDP, a platform that will enable citizens, industry and international trading partners to more easily carry out their respective roles and conduct regular business transactions with the Agency, such as obtaining electronic export certificates, using secure information exchange protocols. <p>User Fee / Service Standard Modernization</p> <ul style="list-style-type: none"> Continued the review of User Fees associated with four major programs to update the User Fees notices and develop service standards to allow for predictability in service delivery <p>Red Tape Reduction Initiatives</p> <ul style="list-style-type: none"> Increased coordination among regulators: <ul style="list-style-type: none"> Renewed Dairy regulations Integrated network of laboratories Adopted a service-oriented approach to regulated parties: <ul style="list-style-type: none"> Continued implementing the CFIA's Transparency Agenda <p>Leveraging Relationships (International Engagement)</p> <ul style="list-style-type: none"> Developed an Agency-wide International Strategic Framework in 2013-14. Continued to engage and cooperate with regulatory counterparts and relevant international organizations to assist in the development of international standards. Worked with industry stakeholders and our US counterparts to make progress on Beyond the Border (BtB) and Regulatory Cooperation Council (RCC) initiatives. 	<p>Linked to the CFIA's Strategic Outcome of a safe and accessible food supply and plant and animal resource base.</p>

Risk	Risk Response Strategy ⁴	Link to Program Alignment Architecture
<p>Emergency Management:</p> <p>Potential Threat:</p> <p>The ability to respond to multiple simultaneous or large-scale emergencies.</p> <p>The CFIA has a well-planned emergency preparedness and response capacity. However threat environments continue to evolve, requiring regular updating of plans and responses to reflect changes and find efficiencies to ensure that the Agency maintains a minimum of essential business functions during emergencies.</p>	<p>Maintain and monitor current Emergency Management preparedness / response mitigation strategies and enhance them if necessary.</p> <ul style="list-style-type: none"> • An Agency Strategic Emergency Management Plan (SEMP) was completed and provided to Public Safety Canada in December 2013 	<p>Linked to the CFIA's Strategic Outcome of a safe and accessible food supply and plant and animal resource base.</p>

1.3 Actual Expenditure

The increase from Planned to Actual Spending of \$74.4 million reflects increased Statutory authority expenditures, incremental activities funded via the 2013–14 Supplementary Estimates, as well as expenditures made on behalf of the Treasury Board (such as parental and maternity allowances, entitlements on cessation of service, etc.), for which the Agency receives allocations from Treasury Board Votes. A significant portion of this increase is related to statutory compensation payments made under the Health of Animals Act. New resources for the implementation of the Inspection Verification System Initiative and a resource transfer from Agriculture and Agri-Food Canada, as part of a multi-year Memorandum of Understanding on the Growing Forward 2 policy framework, also contributed to this increase. Furthermore, the carry forward of authorities from the previous fiscal year into 2013–14 enabled the Agency to manage operational requirements and invest in initiatives and priorities, including food safety.

The net increase takes into account recent savings initiatives undertaken by the government, the transfer of biohazard security responsibilities and resources to the Public Health Agency of Canada, and the transfer of resources to Shared Services Canada to support the implementation of the Food Safety Action Plan.

The decrease of 60 FTEs from Planned to Actual primarily relates to the reductions stemming from the implementation of recent savings; the transfer of biohazard security responsibilities and resources to the Public Health Agency of Canada; delays in certain projects and initiatives; offset by Agency investments in initiatives and priorities. The Agency has achieved these savings mainly through efficiencies and has not reduced staff or cut programs that would in any way impact food safety or place the health and safety of Canadians at risk.

A comparison of Total Authorities available for use and Actual Spending yields \$49.3 million of unused 2013–14 authorities. The Agency specifically lapsed resources in 2013–14 in order to carry forward authorities into 2014–15, primarily to cover anticipated collective bargaining settlement requirements.

A variance analysis is provided for each Program; please see the applicable Program in Section II of this document. Section II also contains information at lowest level of CFIA's Treasury Board approved Program Alignment Architecture, the Sub-Program level. Sub-Program variances which are less than \$5.0 million and less than a 10% change fall below CFIA's criteria for provision of a variance explanation.

Budgetary Financial Resources – (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for Use	2013–14 Actual Spending (authorities used)	Difference (actual minus planned)
687,885,404	731,351,825	855,094,470	805,751,653	74,399,828

Human Resources (Full-time equivalents – FTEs⁵)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
6,438	6,378	(60)

⁵ Full-Time Equivalent (FTE): A measure of human resource consumption, it calculates the number of assigned hours of work over the total hours of regularly scheduled work (37.5 hours per week over 12 months). For example, an employee who works half-time (18.75) hours per week) over a 12-month period is equivalent to a 0.5 FTE.

Budgetary Performance Summary Table for Strategic Outcome and Program(s) (dollars)

Strategic Outcome, Program(s) and Internal Services	2013-14 Main Estimates	Planned Spending			2013-14 Total Authority Available for use	Actual Spending (authorities used)		
		2013-14	2014-15	2015-16		2013-14	2012-13	2011-12
Strategic Outcome: A safe and accessible food supply and plant and animal resource base								
Food Safety Program	312,185,374	352,681,060	320,982,081	316,858,810	394,119,558	364,310,525	353,600,998	328,935,486
Animal Health and Zoonotics Program	131,587,718	131,999,425	90,674,321	90,560,216	195,453,317	187,939,265	175,425,417	140,272,362
Plant Resources Program	84,260,734	84,692,441	75,532,299	75,236,980	90,803,236	86,537,966	88,983,164	83,964,960
International Collaboration and Technical Agreements	31,697,693	31,697,647	25,382,494	25,382,494	37,154,661	35,004,557	33,338,750	34,859,200
Subtotal	559,731,519	601,070,573	512,571,195	508,038,500	717,530,772	673,792,313	651,348,329	588,032,008
Internal Services Subtotal	128,153,885	130,281,252	109,004,540	108,873,224	137,563,698	131,959,340	130,707,396	149,664,349
Total	687,885,404	731,351,825	621,575,735	616,911,724	855,094,470	805,751,653	782,055,725	737,696,357

1.4 Alignment of Spending With the Whole-of-Government Framework

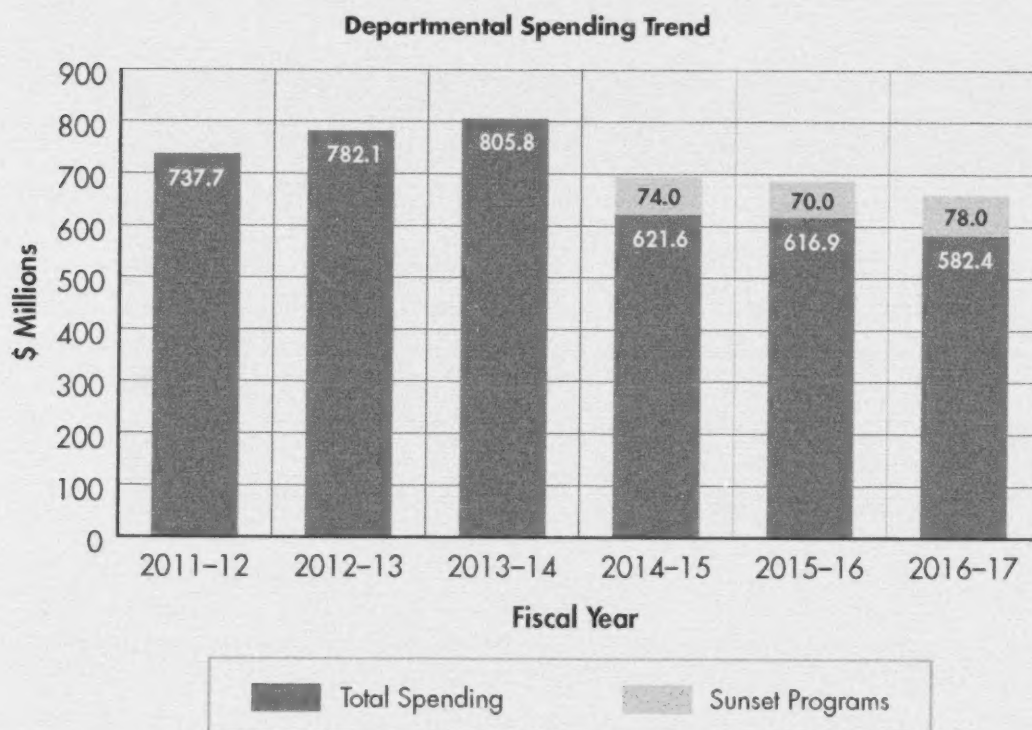
2013-14 Actual Spending by Whole-of-Government-Framework Spending^{xv} Area (dollars)

Strategic Outcome	Program	Spending Area	Government of Canada Outcome	2013-14 Actual Spending
A safe and accessible food supply and plant and animal resource base	Food Safety Program	Social Affairs	Healthy Canadians	364,310,525
	Animal Health and Zoonotics Program	Social Affairs	Healthy Canadians	187,939,265
	Plant Resources Program	Economic Affairs	A clean and healthy environment	86,537,966
	International Collaboration and Technical Agreements	International Affairs	A prosperous Canada through global commerce	35,004,557

Total Actual Spending by Spending Area (dollars)

Spending Area	Total Planned Spending	Total Actual Spending
Economic Affairs	84,692,441	86,537,966
Social Affairs	484,680,485	552,249,790
International Affairs	31,697,647	35,004,557
Government Affairs	0	0

1.5 Departmental Spending Trend



The Agency's overall spending has increased from 2011-12 to 2013-14 by approximately 9%. This is as a result of: additional funding received for initiatives such as Food Safety Modernization and the Inspection Verification System Initiative; resources transferred from Agriculture and Agri-Food Canada for the Traceability National Information Portal and Growing Forward 2 policy framework; and, a significant increase in statutory compensation expenditures. This also takes into account: the transfer of resources to Shared Services Canada (SSC) to consolidate, streamline and improve Government information technology and information management services; the transfer of biohazard security responsibilities and resources to the Public Health Agency of Canada; as well as decreases stemming from savings initiatives undertaken by the government. The Agency has achieved these savings mainly through efficiencies and has not reduced staff or cut programs that would in any way impact food safety or place the health and safety of Canadians at risk.

It should be noted that Budget 2014 announced \$390 million over 5 years for the CFIA. In addition to the renewal of Bovine Spongiform Encephalopathy (BSE) programming (included as a sunset program in the chart above), Budget 2014 announced funding for CFIA to implement new initiatives to strengthen Canada's food safety system and better protect Canadian families. Until these new resources are approved by Parliament, they cannot be included in CFIA's Planned Spending or Departmental Spending Trend.

With respect to the implementation of specific savings initiatives, ongoing savings in the amount of \$55.8 million is being achieved through: administrative efficiencies, such as sharing common administrative services between the CFIA and AAFC; as well as program changes to improve services and facilitate trade, such as implementing agreed upon changes with the provinces with respect to the delivery of certain inspection activities under provincial jurisdiction; and, more effective response to animal diseases and plant pests. None of these measures affect the delivery of the CFIA's front-line food safety services.

1.6 Estimates by Vote

For information on Canadian Food Inspection Agency's organizational Votes and statutory expenditures, consult the Public Accounts of Canada 2014 on the Public Works and Government Services Canada website.^{xvi}

Section II: Analysis of Programs by Strategic Outcome

This section details the CFIA's planned activities for its strategic outcome as informed by a number of factors, including Government and Agency priorities, the Agency's Corporate Risk Profile, and the application of lessons learned. Lessons learned may be derived from a variety of sources, including: internal and external audits; internal program evaluations; stakeholder feedback and consultation; information from performance measurement (including quality management); and structured post-incident analysis following significant events such as an animal disease outbreak or a serious food safety recall. This section features key areas on which the CFIA focused its efforts during the last fiscal year.

Assessment of Performance Targets

Performance targets for compliance rates are qualitative or quantitative goals set by the CFIA that provide a basis for measuring the performance of regulated parties and the Agency toward achieving expected results. The targets in this report are for critical program areas and based either on historical averages of actual performance or on the expected results of effective programming (e.g. rate of industry compliance with regulatory standards). The CFIA has assessed the extent to which performance has met or exceeded established targets and provided analysis when performance has fallen below targets. Targets for programs that monitor activities are set differently than for programs that focus on specific areas of non-compliance. In terms of compliance rates, the CFIA deems a performance variance of +/- 1% (percent) to be "Met".

2.1 Strategic Outcome: A Safe and Accessible Food Supply and Plant and Animal Resource Base

Mitigating risks to food safety is the CFIA's highest priority. Safeguarding the health and well-being of Canadians, our environment and economy is the driving force behind the design and development of CFIA programs. The CFIA, in collaboration and partnership with industry, consumers, and federal, provincial and municipal organizations, continued to work towards protecting Canadians from preventable health risks related to food and zoonotic diseases.

Recognizing that the current and future economic prosperity of the Canadian agriculture and forestry sectors relies on a healthy and sustainable animal and plant resource base, the CFIA continued to improve its program design and delivery in the animal health and plant resource areas in order to minimize and manage risks. In an effort to protect the natural environment from invasive animal and plant diseases and plant pests, the CFIA performed extensive work related to the protection of environmental biodiversity.

The CFIA also focused on several horizontal initiatives aimed at contributing to the protection of consumers. Examples of such initiatives included the elaboration of the approach for continued advancement in food labeling modernization, an increased focus on transparency, and the continued delivery of many of its day-to-day operational activities, including public food recall and allergy alert notices, and import border blitzes designed to intercept imported food items that may pose a health threat to Canadians.

The CFIA began implementing its multi-year project of establishing 16 centres of expertise (CoE) across Canada. Each CoE will offer greater consistency in program interpretation and delivery to front-line inspectors of the CFIA, as well as regulated parties, while at the same time consolidating program and administrative expertise in order to improve the effectiveness, efficiency, and quality of service delivery. Each CoE will deal with issues specific to a certain area of expertise. Much of the effort in this area for 2013–14 was spent in building the infrastructure in support of CoEs.

To successfully deliver on its strategic outcome, the CFIA has developed a robust risk management culture, and fosters the use of it throughout the Agency. As such, the CFIA continually monitors and assesses its operating environment in order to be aware of threats and opportunities concerning the achievement of its desired outcome. A cornerstone of its risk management process is the development of an Agency-wide Corporate Risk Profile (CRP).

In order to mitigate risks and achieve its strategic outcome, the Agency, through the actions of its programs (Food Safety, Animal Health and Zoonotics, Plant Resources, International Collaboration and Technical Agreements), concentrated its efforts for 2013–14 on the delivery of key initiatives that support the CFIA's four priorities:

- Increasing focus on **prevention** which will provide an opportunity to minimize risks to human, animal and ecosystem health;
- Enhancing the CFIA's role as an effective regulator by focusing on **service excellence**;
- Adapting and evolving to meet new demands and expectations with a focus on internal **performance excellence**; and
- Focussing on **people** who are supported by training and tools.

2.1.1 Food Safety Program

The Food Safety Program aims to mitigate risks to public health associated with diseases and other health hazards in the food supply system and to manage food safety emergencies and incidents. The program achieves its objectives by promoting food safety awareness through public engagement and verification of compliance by industry with standards and science-based regulations. The program delivers initiatives to verify that consumers receive food safety and nutrition information and to mitigate unfair market practices targeting consumers and industry. Collaboration with other governments and stakeholders further enhances the Agency's ability to track, detect and mitigate risks associated with food and the food supply system, including food-borne illness. This program supports public health and instils confidence in Canada's food system.

Budgetary Financial Resources (dollars) – Food Safety Program

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for use	2013–14 Actual Spending (authorities used)	2013–14 Difference (actual minus planned)
312,185,374	352,681,060	394,119,558	364,310,525	11,629,465

Human Resources (Full-Time Equivalents – FTEs) – Food Safety Program

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
3,218	3,296	78

The increases from Planned to Actual Spending of \$11.6 million and 78 FTEs are mainly due to: Agency investments in its transformation agenda and food safety priorities; additional resources received from the government for various food safety activities, including the establishment of an Inspection Verification System; incremental Food Safety Modernization activities; expenditures made on behalf of the Treasury Board (such as parental and maternity allowances, entitlements on cessation of service, etc.); as well as the transfer of resources from Agriculture and Agri-Food Canada as part of a multi-year Memorandum of Understanding on the Growing Forward 2 policy framework.

In addition, the Agency made a concerted effort to improve the alignment of program expenditures and FTEs. As such, a portion of Bovine Spongiform Encephalopathy (BSE) Actual Spending was aligned to the Food Safety Program; while all BSE Planned Spending was aligned to the Animal Health and Zoonotics Program, contributing to the overall increase in Actual Spending over Planned Spending in the Food Safety Program.

Table 2-1a: Summary of Performance by Program: Food Safety Program

Expected Result	Performance Indicators	Targets	Actual Results	
Risks to the Canadian public associated with the food supply system are mitigated	Number of commodity areas where federally-registered establishments meet established compliance targets	6 out of 6 met	5 out of 6 met*	
	Percentage of Public Warnings for Class I food recalls that are issued within 24 hours of a recall decision	100 %	100%	Met
	Percentage of Public Warnings for Class II food recalls that are issued within 24 hours of a recall decision	95%	95%	Met
Domestic and imported food products are compliant with Canadian regulations and international agreements	Number of commodity areas where domestic food products meet established compliance targets	6 out of 6 met	6 out of 6 met	
	Number of commodity areas where imported food products meet established compliance targets	6 out of 6 met	5 out of 6 met**	

These are roll-up indicators from the Sub-Program level.

* The Dairy Sub-Program did not meet its target. For 2013–14, in order to harmonize the approach of calculating non-compliance across the Agri-food programs, the percentage non-compliance of dairy establishments includes all facilities that were issued a non-compliance letter. In previous years, dairy establishments that implemented corrective action plans in response to letters were not included in the calculation. For example, the percent compliance of inspected registered dairy establishments in 2012/13 was 100%.

This change in approach to the calculation for dairy establishments led to a very small decrease in the compliance rate (96%). It should be noted that all of the dairy establishments that were issued non-compliance letters submitted corrective action plans that were verified by follow-up inspection.

** The other Sub-Program that did not meet its target is Fish and Seafood. The non-compliance refers only to imported fish and seafood products. Of all imported fish and seafood inspections that were deemed non-compliant, the percentage of tests failing drug residues in farmed fish has decreased from 37.5% in 2012–13 to 12.5% in 2013–14. However, of all fish inspections deemed non-compliant, container integrity was the most frequent reason, increasing from 18.8% in 2012–13 to 31.3% in 2013–14. There were a total of ten rejections for imported fish and seafood. However, there was no trend relative to a particular product, processor, or country of origin. Reasons for product rejections included bacterial contamination with *Listeria monocytogenes*, decomposition, drug residues, environmental contaminants and misuse of additives. There is no apparent systematic problem that is causing this non-compliance.

Compliance levels are for products as imported to Canada, prior to release for domestic sale. Products are held while testing is conducted and only compliant products are allowed into the Canadian market. In addition, future shipments of similar products are held for testing until four consecutive compliant results are achieved.

Compliance of imported fish products has historically been between 85 to 90%. However, the CFIA continues to set an ambitious target of 95% and has been taking steps towards achieving it over time by working with fish importers and as part of the overall modernization of its food program. In addition, Budget 2014 announced ongoing funding to strengthen Canada's food safety system and increase oversight with respect to certain commodities including fish and seafood.

Performance Analysis and Lessons Learned

Continuing to implement the Agency Transformation initiative by modernizing food inspection

In 2013–14, the CFIA continued to progress on its transformation agenda that includes adopting a risk-based system and modernizing the inspection system and oversight activities. Expanding beyond food and consumer protection, the CFIA developed the Integrated Agency Inspection Model (iAIM)^{xvii} to improve the food inspection model and implement a single risk-based inspection approach across all commodities. The draft iAIM was posted for internal and external consultations with stakeholders in the fall of 2013.

In addition, to adapt to current changes in global supply chains and advances in science and technology, the CFIA worked with government partners and universities to develop a risk assessment (RA) model. The RA model will assist the CFIA with identifying and characterizing hazards, and determining the probability and/or impact of a food safety incident.

The CFIA continued to implement the pathogen reduction initiative to decrease the incidence and economic impact of foodborne illness by reducing pathogen contamination of meat and poultry. In collaboration with stakeholders, the Agency undertook the first national microbiological baseline study to estimate the prevalence and concentration of *Campylobacter* and *Salmonella* in broiler chicken and chicken meat produced across Canada. Samples were collected and analyzed in 2013, and results will be presented to stakeholders during consultation sessions in June 2014.

The CFIA also made progress towards modernizing its scientific equipment and laboratories. Since May 2013, improvements to the food laboratory structure in Toronto and St-Hyacinthe progressed well through the engineering and design phases.

Preparing for the 2015 coming into force of the Safe Food for Canadians Act

The *Act* provides the legislative basis to simplify and consolidate food regulations for a single, consistent approach to strengthening overall food inspection in Canada. As part of the Safe Food for Canadians Action Plan (SFCAP), the CFIA consulted and held discussions on renewing and modernizing food regulations. The CFIA launched the consultation process at the 2013 Food Safety Regulatory Forum. The Forum included representatives from industry, other governments, and the academic community. Proposed regulations, resulting from this consultative process, are expected to be published in the Canada Gazette Part I in the fall of 2014 and final publication is expected in mid-2015.

To support industry stakeholders, particularly small- and medium-sized enterprises, through focused efforts to promote compliance, illustrative interpretive guidance documents as well as example model systems for the new food inspection regulations have also been developed.

The CFIA launched the new Pre-Requisite Employment Program (PREP)^{xviii}, a comprehensive orientation program designed to provide specific knowledge, skills and attitudes required by inspectors to be successful on the job. To date, PREP School has graduated a total of 170 inspectors. In parallel to this project, the CFIA also launched the Supervisor School in September 2013 to enhance food safety culture through strong and effective supervision.

Food labelling information for Canadians

Following extensive consultations with consumers, inspectors, and industry stakeholders, the CFIA successfully implemented the Online Labelling Tool (OLT) in March 2014. The tool provides consumers and industry with user-friendly access to information regarding regulatory requirements for labelling food, such as consumer specific information and education on food labelling.

Furthermore, the CFIA continued to implement the Food Labelling Modernization Initiative^{xix} to promote an innovative food labelling system, so as to improve service delivery and align with other stakeholders' initiatives, such as Health Canada (HC's) Nutrition Labelling initiatives. In 2013–14, the first phase of engagement with stakeholders was completed. A report outlining key consultation outcomes and a discussion paper was presented at the Safe Food Regulatory Forum in June 2014. The forum launched the second consultation phase that will take place in the summer of 2014.

Collaborating with partners and stakeholders to protect Canadians' health

CFIA collaborated with HC, PHAC, and provincial and territorial partners to develop a strategy on an information network to link federal and provincial food safety authorities and private food laboratories residing across Canada. This information network will strengthen national laboratory capacity to swiftly and effectively respond to food safety incidents and emergencies, so as to better protect consumers from foodborne hazards and will be integrated through a common data sharing platform among food safety authorities. The continued development and implementation of this information network over the next five years will further strengthen and modernize Canada's food safety regime.

In an effort to draw on the strength of Agency partners and promote partnership, the CFIA entered into collaborative agreements or embarked on collaborative projects with:

- Genome Canada and Alberta Innovates to explore biosolutions on *Listeria monocytogenes* genomics;
- Genome Alberta and Alberta Innovates to look for biosolutions on *E.coli* genomics; and,
- HC to analyze *Campylobacter* genomics. This project was completed in 2013-14.

2.1.1.1 Sub-Program: Meat and Poultry

The Meat and Poultry sub-program aims to mitigate risks associated with meat and poultry and their products that are produced in Canada's federally registered establishments or imported for consumption. The program achieves its objectives by verifying that meat, poultry and their products meet health and safety requirements through verification of compliance with the relevant governing acts and regulations. The program also helps to mitigate unfair market practices related to labelling compliance for pre-packaged meat products, and audits the delivery of a grading program based on objective meat quality and retail yield standards. The Meat and Poultry sub-program supports confidence in Canada's meat and poultry and their products.

Budgetary Financial Resources (dollars) – Sub-Program: Meat and Poultry

2013-14 Planned Spending	2013-14 Actual Spending	2013-14 Difference (actual minus planned)
182,678,352	190,270,609	7,592,257

Human Resources (FTEs) – Sub-Program: Meat and Poultry

2013-14 Planned	2013-14 Actual	2013-14 Difference (actual minus planned)
1,807	1,851	44

The increases from Planned to Actual Spending of \$7.6 million and 44 FTEs are mainly due to: Agency investments to support food safety priorities such as the dedication of incremental resources to maintain increased frequency of food inspections in meat processing establishments; establishment of an Inspection Verification System; incremental Food Safety Modernization activities; and expenditures made on behalf of the Treasury Board (such as parental and maternity allowances, entitlements on cessation of service, etc.).

In addition, the Agency made a concerted effort to improve the alignment of program expenditures and FTEs. As such, a portion of Bovine Spongiform Encephalopathy (BSE) Actual Spending was aligned to the Meat and Poultry Sub-Program, while all BSE Planned Spending was aligned to the Animal Health Program, contributing to the increase in Actual Spending over Planned Spending in the Meat and Poultry Sub-Program.

Table 2-1b: Summary of Performance by Sub-Program Level: Meat and Poultry

Expected Result	Performance Indicators	Targets	Actual Results	
Federally registered meat and poultry establishments meet federal regulations	Percentage of inspected federally registered meat and poultry establishments in compliance with federal regulations	98%	98%	Met
Meat and poultry products for domestic consumption meet federal regulations	Percentage of tested domestic meat and poultry products in compliance with federal regulations	95%	95%	Met
	Percentage of tested imported meat and poultry products in compliance with federal regulations	95%	98%	Met

Performance Analysis and Lessons Learned

Revising E.coli 0157:H7 policies to continue to maintain high food safety culture

Following an in-depth review of the XL Foods Inc. incident and recall, the CFIA published, on May 17, 2013, a revised policy on the control of *E.coli* 0157:H7 contamination in raw beef products.^{xx} The revised policy requires establishments to develop and implement a High Event Protocol (HEP) in the event of a contamination. In addition, the CFIA continued to deliver additional training to inspection staff in relation to *E.coli* controls. Sampling activities for *E.coli* 0157:H7 in beef trims have also significantly increased in federally-inspected meat plants.

Ensuring adherence to Listeria policies

Throughout the year, the CFIA continued to enforce HC's revised Listeria Policy. Inspections were conducted to verify the effectiveness of industry adherence to the policy and controls related to Listeria.

Provincial oversight of meat inspection

The CFIA implemented changes agreed upon with provinces by returning provincial meat inspection activities to the provinces of British Columbia, Saskatchewan and Manitoba. There will be no impact on food safety, as provinces will be delivering the required inspection services.

2.1.1.2 Sub-Program: Egg

The Egg sub-program aims to mitigate risks associated with egg and egg products that are produced in Canada's federally registered establishments or imported for consumption. The program achieves its objectives by verifying that eggs and egg products are graded according to relevant governing acts and regulations and that they comply with the requirements of the said acts and regulations. The program also helps to mitigate unfair market practices by verifying that labelling and advertising practices meet the requirements for pre-packaged egg products. This sub-program supports confidence in Canada's egg and egg products.

Budgetary Financial Resources (dollars) – Sub-Program: Egg

2013-14 Planned Spending	2013-14 Actual Spending	2013-14 Difference (actual minus planned)
10,304,909	10,549,629	244,720

Human Resources (FTEs) – Sub-Program: Egg

2013-14 Planned	2013-14 Actual	2013-14 Difference (actual minus planned)
85	87	2

Table 2-1c: Summary of Performance by Sub-Program Level: Egg

Expected Result	Performance Indicators	Targets	Actual Results	
Federally registered shell egg establishments meet federal regulations	Percentage of inspected federally registered shell egg establishments in compliance with federal regulations	98%	97%*	Met
Shell egg and egg products for domestic consumption meet federal regulations	Percentage of tested domestic shell egg and egg products in compliance with federal regulations	95%	97%	Met
	Percentage of tested imported shell egg and egg products in compliance with federal regulations	95%	99%	Met

* The actual result was 97.2% which was rounded down to 97%. In terms of meeting performance targets set annually in the RPP, the CFIA deems a performance variance of +/- 1% (percent) from the planned target to be "Met".

2.1.1.3 Sub-Program: Dairy

The Dairy sub-program aims to mitigate risks associated with dairy and dairy products that are produced in Canada's federally registered establishments or imported for consumption. The program achieves its objectives by verifying that dairy and dairy products meet health and safety requirements through verification of compliance with the governing acts and regulations. The program also helps to mitigate unfair market practices by verifying that labelling for pre-packaged dairy products meets the requirements as set out in the acts and regulations. This sub-program supports confidence in Canada's dairy products.

Budgetary Financial Resources (dollars) – Sub-Program: Dairy

2013-14 Planned Spending	2013-14 Actual Spending	2013-14 Difference (actual minus planned)
13,969,454	14,301,199	331,745

Human Resources (FTEs) – Sub-Program: Dairy

2013-14 Planned	2013-14 Actual	2013-14 Difference (actual minus planned)
119	122	3

Table 2-1d: Summary of Performance by Sub-Program Level: Dairy

Expected Result	Performance Indicators	Targets	Actual Results	
Federally registered dairy establishments meet federal regulations	Percentage of inspected federally registered dairy establishments in compliance with federal regulations	98%	96%	Not Met
Dairy products for domestic consumption meet federal regulations	Percentage of tested domestic dairy products in compliance with federal regulations	95%	99%	Met
	Percentage of tested imported dairy products in compliance with federal regulations	95%	98%	Met

Performance Analysis and Lessons Learned

The Dairy Sub-Program did not meet its target. This can be attributed to the fact that, in previous years, dairy establishments were deemed non-compliant (Not Met) only after they failed to appropriately implement corrective actions following an initial inspection. For the first time this year, the number of non-compliant establishments at the time of initial inspection is included in the calculation of non-compliance. This change in approach of calculating non-compliance was implemented in 2013-14 to harmonize the method of calculation and reporting of non-compliance across the Agri-food programs. This change in approach led to a very small decrease in its compliance rate (96%).

It should be noted that all of the dairy establishments that were issued non-compliance letters submitted corrective action plans that were verified by follow-up inspection.

2.1.1.4 Sub-Program: Fish and Seafood

The Fish and Seafood sub-program aims to mitigate risks associated with fish and seafood products processed in Canada's federally registered establishments or imported for consumption. It achieves its objectives by developing product and process standards and ensuring that products, importers and domestic industry comply with quality, safety and identity of fish and seafood requirements through verification of compliance with the governing acts and regulations. This sub-program supports confidence in Canada's fish and seafood products.

Budgetary Financial Resources (dollars) – Sub-Program: Fish and Seafood

2013-14 Planned Spending	2013-14 Actual Spending	2013-14 Difference (actual minus planned)
48,941,546	50,103,805	1,162,259

Human Resources (FTEs) – Sub-Program: Fish and Seafood

2013-14 Planned	2013-14 Actual	2013-14 Difference (actual minus planned)
417	427	10

Table 2-1e: Summary of Performance by Sub-Program Level: Fish and Seafood

Expected Result	Performance Indicators	Targets	Actual Results	
Federally registered fish and seafood establishments meet federal regulations	Percentage of inspected federally registered fish and seafood establishments in compliance with federal regulations	98%	99%	Met
Fish and seafood products for domestic consumption meet federal regulations	Percentage of tested domestic fish and seafood products in compliance with federal regulations	95%	98%	Met
	Percentage of tested imported fish and seafood products in compliance with federal regulations	95%	85%	Not Met

Performance Analysis and Lessons Learned

Of all imported fish and seafood inspections that were deemed non-compliant, the percentage of tests failing drug residues in farmed fish has decreased from 37.5% in 2012-13 to 12.5% in 2013-14. However, of all fish inspections deemed non-compliant, container integrity was the most frequent reason, increasing from 18.8% in 2012-13 to 31.3% in 2013-14. There were a total of ten rejections for imported fish and seafood. However, there was no trend relative to a particular product, processor, or country of origin. Reasons for product rejections included bacterial contamination with *Listeria monocytogenes*, decomposition, drug residues, environmental contaminants and misuse of additives. There is no apparent systematic problem that is causing this non-compliance.

Compliance levels are for products as imported to Canada, prior to release for domestic sale. Products are held while testing is conducted and only compliant products are allowed into the Canadian market. In addition, future shipments of similar products are held for testing until four consecutive compliant results are achieved.

Compliance of imported fish products has historically been between 85 to 90%. However, the CFIA continues to set an ambitious target of 95% and has been taking steps towards achieving it over time by working with fish importers and as part of the overall modernization of its food program. In addition, Budget 2014 announced ongoing funding to strengthen Canada's food safety system and increase oversight with respect to certain commodities including fish and seafood.

2.1.1.5 Sub-Program: Fresh Fruit and Vegetables

The Fresh Fruit and Vegetables sub-program aims to mitigate risks associated with fresh fruits and vegetables and their products produced in Canada or imported for consumption. It achieves its objectives by verifying that products meet all stipulated health and safety requirements through verification of compliance with the relevant governing acts and regulations. This sub-program mitigates unfair market practices by verifying that labelling and net quantity requirements for pre-packaged Fresh Fruit and Vegetable products are adhered to. This sub-program supports confidence in Canada's fresh fruit and vegetable products.

Budgetary Financial Resources (dollars) – Sub-Program: Fresh Fruit and Vegetables

2013-14 Planned Spending	2013-14 Actual Spending	2013-14 Difference (actual minus planned)
24,581,048	25,164,796	583,748

Human Resources (FTEs) – Sub-Program: Fresh Fruit and Vegetables

2013-14 Planned	2013-14 Actual	2013-14 Difference (actual minus planned)
210	215	5

Table 2-1f: Summary of Performance by Sub-Program Level: Fresh Fruit and Vegetables

Expected Result	Performance Indicators	Targets	Actual Results	
Federally registered fresh fruit and vegetables establishments meet federal regulations	Percentage of inspected federally registered fresh fruit and vegetable establishments in compliance with federal regulations	98%	97%*	Met
Fresh fruit and vegetable products for domestic consumption meet federal regulations	Percentage of tested domestic fresh fruit and vegetable samples in compliance with federal regulations	95%	99%	Met
	Percentage of tested imported fresh fruit and vegetables samples in compliance with federal regulations	95%	97%	Met

* The actual result was 96.66% which was rounded up to 97%. In terms of meeting performance targets set annually in the RPP, the CFIA deems a performance variance of +/- 1% (percent) from the planned target to be "Met".

Performance Analysis and Lessons Learned

New inspection and oversight for fresh produce safety was initiated under the Fresh Fruit and Vegetables (FFV) program modernization project to support planned enhanced funding. This project aimed to enhance inspections of FFV establishments for food safety, to help minimize potential health risks related to the consumption of fresh fruit and vegetables. These inspections focus on industry's implementation of good manufacturing practices, good handling practices, and preventive food safety controls; label verification; and microbiological and chemical residue sampling and testing programs. Under this project, a master list of FFV establishments has been created, and the CFIA has developed inspection tools for inspectors, and communication materials. Both were made available to industry through the CFIA website.

Budget 2014 announced ongoing funding to strengthen Canada's food safety system and increase oversight with respect to certain commodities including fresh fruit and vegetables.

2.1.1.6 Sub-Program: Processed Products

The Processed Products sub-program aims to mitigate risks associated with processed products, including honey and maple products, which are produced in Canada or imported for consumption. The program achieves its objectives by verifying that processed products comply with health and food safety requirements through verification of compliance with the relevant governing acts and regulations. This sub-program minimizes unfair market practices by verifying that labelling and net quantity requirements for pre-packaged processed products are adhered to. The program supports confidence in Canada's processed products.

Budgetary Financial Resources (dollars) – Sub-Program: Processed Products

2013-14 Planned Spending	2013-14 Actual Spending	2013-14 Difference (actual minus planned)
11,132,465	11,396,838	264,373

Human Resources (FTEs) – Sub-Program: Processed Products

2013-14 Planned	2013-14 Actual	2013-14 Difference (actual minus planned)
96	98	2

Table 2-1g: Summary of Performance by Sub-Program Level: Processed Products

Expected Result	Performance Indicators	Targets	Actual Results	
Federally registered processed products establishments meet federal regulations	Percentage of inspected federally registered processed products establishments in compliance with federal regulations	98%	98%	Met
Processed products for domestic consumption meet federal regulations	Percentage of tested domestic processed products in compliance with federal regulations	95%	98%	Met
	Percentage of tested imported processed products in compliance with federal regulations	95%	95%	Met

2.1.1.7 Sub-Program: Imported and Manufactured Food Products

The Imported and Manufactured Food Products sub-program aims to mitigate risks associated with food commodities that are regulated by the relevant governing acts and regulations. The CFIA and provincial/territorial governments share the jurisdiction over IMFP because the sector includes a large variety of foods that are traded intra-provincially or inter-provincially. This program achieves its objectives by verifying that these products

comply with the health, food safety, and consumer protection requirements. The program mitigates unfair market practices by verifying that requirements related to net quantity, composition, claims, labelling, and advertising of these foods are adhered to and by enforcing the governing acts and regulations. Through enforcement of the acts and regulations, the program supports confidence in Canada's imported and manufactured food products.

Budgetary Financial Resources (dollars) – Sub-Program: Imported Manufactured Food Products

2013-14 Planned Spending	2013-14 Actual Spending	2013-14 Difference (actual minus planned)
61,073,286	62,523,649	1,450,363

Human Resources (FTEs) – Sub-Program: Imported Manufactured Food Products

2013-14 Planned	2013-14 Actual	2013-14 Difference (actual minus planned)
484	496	12

Table 2-1h: Summary of Performance by Sub-Program Level: Imported and Manufactured Food Products

Expected Result	Performance Indicators	Targets	Actual Results	
Risks to the Canadian public associated with imported and manufactured food (IMF) products are mitigated	Percentage of major health risks in the imported and manufactured food sector that are addressed through the annual update to food safety inspection programs	95%	100%	Met
	Percentage of inspected IMF products with accurate net quantity, composition, labelling and advertising	70%	74%	Met

Performance Analysis and Lessons Learned

The CFIA continued consultations on the proposed Imported Food Sector Products Regulations under Food Regulatory Modernization. The proposed regulations aim to introduce food safety and licensing requirements for importers in the Imported Food Sector, which will enable better identification of unsafe foods and ingredients and allow the CFIA to identify and engage importers. The CFIA also developed training materials associated with the revised compliance verification (CVS) inspection process.

2.1.2 Animal Health and Zoonotics Program

The Animal Health and Zoonotics Program aims to mitigate risks to Canada's animal resource base, animal feeds and animal products, which are integral to a safe and accessible food supply system as well as to public health. The program achieves its objectives by mitigating risks to Canada's animals (including livestock and aquatic animals) from regulated diseases, managing animal disease emergencies and incidents, limiting risks to livestock and derived food products associated with feed, promoting animal welfare and guarding against deliberate threats to the animal resource base. The program helps to mitigate risks associated with animal diseases that can be transmitted to humans by controlling diseases within animal populations. This program supports the health of Canada's animal resources and instils confidence in the safety of Canada's animals, animal products and by-products, and production systems.

Financial Resources (dollars) – Animal Health and Zoonotics Program

2013-14 Main Estimates	2013-14 Planned Spending	2013-14 Total Authorities Available for use	2013-14 Actual Spending (authorities used)	2013-14 Difference (actual minus planned)
131,587,718	131,999,425	195,453,317	187,939,265	55,939,840

Human Resources (Full-Time Equivalents – FTEs) – Animal Health and Zoonotics Program

2013-14 Planned	2013-14 Actual	2013-14 Difference (actual minus planned)
1,128	1,074	(54)

The increase from Planned to Actual Spending of \$55.9 million is predominantly due to a significant increase in statutory compensation payments, in accordance with the Health of Animals Act. The transfer of resources from Agriculture and Agri-Food Canada as part of a multi-year Memorandum of Understanding on the Growing Forward 2 policy framework and expenditures made on behalf of the Treasury Board (such as parental and maternity allowances, entitlements on cessation of service, etc.) also contributed to the increase.

The decrease of 54 FTEs from Planned to Actual primarily relates to the concerted effort of the Agency to improve the alignment of program expenditures and FTEs. As such, a portion of Bovine Spongiform Encephalopathy (BSE) Actual Spending was aligned to the Food Safety Program and International Collaboration and Technical Agreement Program, while all BSE Planned Spending was aligned to the Animal Health and Zoonotics Program. The application of reductions stemming from savings initiatives also contributed to the decrease. The Agency has achieved these savings mainly through efficiencies and has not reduced staff or cut programs that would in any way impact food safety or place the health and safety of Canadians at risk.

Table 2-2a: Summary of Performance by Program: Animal Health and Zoonotics Program

Expected Result	Performance Indicators	Targets	Actual Results	
Risks to Canadians from the transmission of animal diseases to humans are minimized	Number of reportable animal diseases that have entered into Canada via specified regulated pathways	0 Entries	0 Entries	Met
	Percentage of cases where investigations were completed following the positive identification of a reportable zoonotic disease	100%	100%	Met
Domestic and imported animals and animal products are compliant with Canadian regulations and international agreements	Percentage of legally exported animal and animal product shipments destined for foreign markets that meet certification requirements	99%	100%	Met
	Canada's status on the OIE ⁶ disease risk status lists remains either "free, controlled risk, or negligible risk"	Status maintained	Status maintained	Met
Risks to the Canadian animal resource base are mitigated	Percentage of cases where investigations were completed following the positive identification of a reportable animal disease	100%	100%	Met
Effective preparedness to prevent, control, and eradicate trans-boundary diseases and emerging diseases	Manuals for CFIA officials are updated as needed	All necessary manual updates are completed	All necessary manual updates were completed	Met
	Number of emergency preparedness simulation exercises in which CFIA participates	9	11	Met
Disease outbreaks in Canada are promptly and effectively responded to	Percentage of detections of reportable transboundary diseases and significant emerging diseases in which an investigation was commenced in a timely fashion	100%	100%	Met
	Percentage of cases where CFIA communicated with key stakeholders in a timely fashion following the confirmation of a transboundary or significant emerging disease	100%	100%	Met

⁶ World Organization for Animal Health

Performance Analysis and Lessons Learned

Implementing Agency transformation

As part of the Agency Transformation initiative, the Animal Health Program began consolidating and modernizing its legislative and regulatory framework to:

- improve consistency in interpretation and enforcement of regulations;
- streamline processes;
- integrate science more rigorously into its decision-making; and,
- provide single-window access for services to clients.

For example, proposed changes under the proposed *Agricultural Growth Act*, affecting the *Feeds Act* and *Health of Animals Act*, will contribute to overall Canadian economic growth by enhancing trade opportunities and reducing red tape.

Leveraging relationships to prepare for disease outbreaks, such as Porcine Epidemic Diarrhea (PED)

The CFIA proactively engaged other federal departments, levels of government, and the private sector to reassess the appropriate response to animal diseases. The Agency also worked with the Ontario Veterinary College to develop potential public policy responses of varying levels with respect to animal diseases. To allow for a good governance system should a disease outbreak occur, the CFIA continued to participate in the National Farmed Animal Health and Welfare Council with PHAC and AAFC.

The CFIA worked closely with partners within Ontario and the U.S. to manage and seek a resolution to the PED outbreak, a pig viral disease. Despite having no impact on human health, PED potentially has serious repercussions on the swine industry. While provincial authorities led the PED investigation and response, the CFIA provided significant assistance and support. The investigation is ongoing and the CFIA continues to monitor and address issues as required.

Strengthening trade relations and market access

The Agency contributed to positive trade relationships and improved market access in 2013–14 by negotiating over 100 new and amended export certificates for live animals and a similar number of new or amended export certificates for animal products and by-products. Additionally, the CFIA continued to build on the January 2013 Canada-U.S. Zoning Agreement by creating an implementation framework which is now undergoing external consultations, under the joint leadership of the CFIA and the USDA.

2.1.2.1 Sub-Program: Terrestrial Animal Health

The Terrestrial Animal Health sub-program aims to prevent the entry of reportable, foreign animal diseases and the spread of reportable domestic animal diseases as set out in the relevant governing acts and regulations. This sub-program achieves its objectives by delivering initiatives that track, detect, and mitigate risks to the terrestrial animal resource base. This sub-program supports food safety, public health, and protection of the animal resource base, and instils national and international confidence in Canadian agricultural products. Through verification of compliance, this sub-program supports domestic and international confidence that Canada's animals are free from certain reportable diseases, particularly those potentially transmissible to humans.

Financial Resources (dollars) – Sub-Program: Terrestrial Animal Health

2013-14 Planned Spending	2013-14 Actual Spending	2013-14 Difference (actual minus planned)
106,024,307	105,541,039	(483,268)

Human Resources (Full-Time Equivalents – FTEs) – Sub-Program: Terrestrial Animal Health

2013-14 Planned	2013-14 Actual	2013-14 Difference (actual minus planned)
862	821	(41)

Table 2-2b: Summary of Performance by Sub-Program: Terrestrial Animal Health

Expected Result	Performance Indicators	Targets	Actual Results	
Federally registered veterinary biologics establishments meet federal regulations	Percentage of inspected federally registered veterinary biologics establishments in compliance with federal regulations	90%	100%	Met
Veterinary biological products in compliance with federal regulations	Percentage of tested veterinary biological products in compliance with federal regulations	100%	100%	Met
Animals in Canada are transported humanely	Percentage of inspected live loads in compliance with humane transport standards	100%	100%	Met

Performance Analysis and Lessons Learned

Updating the Health of Animals Regulations

In 2013-14, Health of Animals Regulations were amended with respect to traceability. Traceability amendments with respect to swine are scheduled to come into force in July 2014.

In the fall of 2013, the CFIA held consultations with key stakeholders with respect to animal transport. Subsequent amendments have been drafted to update regulations on animal transportation. These amendments will maintain market access to major trading partners, better reflect current science, and improve the well-being of animals during transportation. These amendments are anticipated to come into force in early 2016.

Continuing the Bovine Spongiform Encephalopathy (BSE) program

In 2013–14, the CFIA evaluated the BSE Management Program^{xvi} and identified areas for improvement. The evaluation noted the Program's success, impact and results achieved, as well as its continued relevance. Findings supported the Agency's request for continued BSE funding.

Through Economic Action Plan 2014, the government approved an additional \$205.5 million over five years to renew the BSE program. BSE has been a reportable disease in Canada since 1990 and BSE program activities are necessary to protect human and animal health and to reduce any potential negative economic and trade impacts. In 2013–14, in support of the BSE program, the CFIA:

- conducted a costing exercise to look for efficiencies;
- reviewed IM/IT requirements to enhance effective data capturing;
- committed to improving BSE training; and,
- worked with AAFC, CBSA, HC, PHAC, provinces, and industry to restart the development of a BSE Roadmap, a tool to communicate Canada's long-term BSE management approach.

The CFIA also continued to update its manuals of procedure, hazard specific plans, guidance documents for industry and other communications to enhance effective preparedness to prevent, control and eradicate transboundary diseases and emerging diseases.

Enhancing systems to manage animal health and food safety issues, and to maximise market access

In 2013–14, to enhance the traceability system and improve the ability to manage animal health issues, the CFIA enhanced its geographic information system capability and signed two additional livestock traceability data sharing agreements with provinces. As a result of data sharing agreements between the CFIA and Prairie provinces and Prince Edward Island, the CFIA has worked collaboratively with provincial partners and private sector stakeholders to launch the Traceability National Information Portal (TNIP). The Portal provides single-window access to traceability information. Successfully implemented in the fall of 2013, the CFIA continues to further enhance TNIP's information management systems and participates on a steering committee to establish the Canadian Agri-Traceability Services (CATS) so as to increase traceability at the national level. This initiative will improve the CFIA's service delivery and enable regulators at all levels to make informed decisions to effectively manage animal health issues, such as disease events and outbreaks.

To allow for more transparency and better strategic planning, the Agency developed a draft Surveillance Framework in November 2013, profiling the CFIA's animal health surveillance function. The Framework should launch broader discussions on animal health surveillance with respect to policy and program decision making and field operations and ensuring capacity is available to respond to animal health issues.

2.1.2.2 Sub-Program: Aquatic Animal Health

The Aquatic Animal Health sub-program aims to mitigate risks associated with the introduction and spread of certain aquatic animal diseases of concern to Canada. This program achieves its objectives by partnering with Fisheries and Oceans Canada to deliver on initiatives that track, detect and control aquatic animal diseases as set out in the relevant governing acts and regulations. Through verification of compliance, this sub-program supports domestic and international confidence that Canada's aquatic animal resources are free from aquatic animal diseases, and contributes to the sustainable productivity of aquaculture and harvest fisheries.

Financial Resources (dollars) – Sub-Program: Aquatic Animal Health

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
5,606,323	61,533,586	55,927,263

Human Resources (Full-Time Equivalents – FTEs) – Sub-Program: Aquatic Animal Health

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
59	43	(16)

The increase from Planned to Actual Spending of \$55.9 million is predominantly due to the significant increase in statutory compensation payments, in accordance with the *Health of Animals Act*. The decrease of 16 FTEs from Planned to Actual mainly relates to the application of reductions stemming from savings initiatives.

Table 2-2c: Summary of Performance by Program: Aquatic Animal Health

Expected Result	Performance Indicators	Targets	Actual Results	
Domestic aquatic animals and their products are compliant with Canadian regulations and meet the standards of international agreements	Percentage of certified aquatic animal and aquatic animal product shipments that meet the receiving country's import requirements	99%	100%	Met
Risks to the Canadian aquatic animal resource base are mitigated	Number of reportable aquatic animal diseases that have entered into Canada via specified regulated pathways	0	0	Met

Performance Analysis and Lessons Learned

Improving service delivery and finding efficiencies

Over 2013–14, the CFIA realigned its approach to the Aquatics Animal Health Program by:

- strengthening program compartmentalization and biosecurity measures;
- reducing testing and inspection costs; and
- achieving more efficient ways to implement import controls.

The CFIA also explored opportunities for alternative service delivery with approved private and provincial laboratories and continued to implement the Domestic Movement Control Program for aquatic animals.

Meeting international standards to maintain market access

To continue to improve domestic aquatic animal and product compliance with Canadian legal requirements and international agreements standards, the CFIA continued developing the National Aquatic Animal Health Program (NAAHP). This involved a phased-in implementation of import controls for aquatic animals under the Health of Animals Regulations. Additionally, export certificates for aquatic animals were negotiated with Canada's largest trade partners. In 2013–14, 20 new import permits were negotiated with several countries including those in the European Union, South America and South-East Asia.

2.1.2.3 Sub-Program: Feed

The Feed sub-program aims to minimize risks associated with livestock and poultry feeds manufactured in or imported into Canada. The program achieves its objectives by verifying that feeds are safe, effective and labelled in accordance with the relevant governing acts and regulations. This sub-program contributes to the production and maintenance of a healthy and sustainable animal resource base which supports food safety and environmental sustainability. Through verification of compliance, this sub-program supports confidence in feed manufactured in Canada.

Financial Resources (dollars) – Sub-Program: Feed

2013–14 Planned Spending	2013–14 Actual Spending	2013–14 Difference (actual minus planned)
20,368,794	20,864,640	495,846

Human Resources (Full-Time Equivalents – FTEs) – Sub-Program: Feed

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
207	210	3

Table 2-2d: Summary of Performance by Program: Feed

Expected Result	Performance Indicators	Targets	Actual Results	
Feed establishments meet federal regulations	Percentage of inspected feed establishments in compliance with Feeds Regulations and Health of Animals Regulations (Feed Ban), after follow-up, not including labelling tasks	95%	97%	Met
Feed labels meet federal regulations	Percentage of inspected feed facilities in compliance with Feeds Regulations and Health of Animals Regulations (Feed Ban), after follow-up, when assessed against inspection tasks associated with labelling	95%	95%	Met

Performance Analysis and Lessons Learned

Renewing feed regulations

In 2013–14, the Agency led the Feed Regulatory Renewal by drafting proposals to amend the regulations for feed ingredient assessment and authorization as well as feed labeling, and releasing them for public comment in October 2013. Additionally, consultations with key stakeholders were conducted in the second half of 2013–14 for the feed hazard identification and preventative controls module. A number of policy questions have been identified and the Agency is examining their potential impact on feed regulatory modernization and broader Agency Transformation initiatives. As well, the CFIA consulted with stakeholders to update user fees under the livestock feed program.

Strengthening planning and prioritization to improve inspections and reduce risks to Canadians' health

In 2013–14, the CFIA reviewed all inspection data related to feed ban tasks available for high-risk commercial feed mills and followed up where concerns around delivery were identified, which aligned with recommendations made in the CFIA's Evaluation of the Enhanced Feed Ban^{xxii}. To improve efficiency and effectiveness, the Agency modified feed facility inspection frequencies so as to support the enhanced Feed Ban program (an important component of the BSE program) and efficient and effective delivery of the Feed Ban program.

2.1.3 Plant Resources Program

The Plant Resources Program aims to mitigate risks to Canada's plant resource base, which is integral to a safe and accessible food supply, as well as to public health and environmental sustainability. The program achieves its objectives by regulating agricultural and forestry products; mitigating risks to the plant resource base (including crops and forests) from regulated pests and diseases; regulating the safety and integrity of seeds, fertilizers and plant products; and managing plant health emergencies and incidents. The program also guards against deliberate threats to the plant resource base, facilitates the introduction of emerging plant technologies and protects the rights of plant breeders. Achieving the objectives of the program instils confidence in Canada's plants, plant production systems and plant products, and contributes to the health of Canada's plant resources.

Budgetary Financial Resources (dollars) – Plant Resources Program

2013-14 Main Estimates	2013-14 Planned Spending	2013-14 Total Authorities Available for use	2013-14 Actual Spending (authorities used)	2013-14 Difference (actual minus planned)
84,260,734	84,692,441	90,803,236	86,537,966	1,845,525

Human Resources (Full-Time Equivalents – FTEs) – Plant Resources Program

2013-14 Planned	2013-14 Actual	2013-14 Difference (actual minus planned)
856	809	(47)

The increase from Planned to Actual Spending of \$1.8 million is due to: an increase in efforts to control the Asian Long-Horned Beetle; the transfer of resources from Agriculture and Agri-Food Canada, as part of a multi-year Memorandum of Understanding to continue the Growing Forward 2 policy framework; and, expenditures made on behalf of the Treasury Board (such as parental and maternity allowances, entitlements on cessation of service, etc.). The decrease of 47 FTEs from Planned to Actual mainly relates to the application of reductions related to savings initiatives

Table 2-3a: Summary of Performance by Program Level: Plant Resources Program

Expected Results	Performance Indicators	Targets	Actual Results	
Risks to the Canadian plant resource base from imported plants and plant products are mitigated	Number of regulated foreign plant pests that enter into Canada through regulated pathways and establish themselves	0	0	Met
Domestic plants and plant products are compliant with Canadian regulations and international agreements	Percentage of domestic seed, crop inputs and plants with novel traits in compliance with Canadian regulations and international agreements	90%	92%	Met
Confirmed introductions of quarantine pests in Canada are contained and risk-mitigated (e.g. through the issuance of Notices of Prohibition of Movement, Quarantine, up to and including the issuance of Ministerial Orders)	Percentage of confirmed introductions of quarantine pests for which notices are issued	100%	100%	Met
	Percentage of notices issued in a timely manner	90%	100%	Met
Canadian exports of plants and plant products meet the country of destination regulatory requirements and Canada's reputation is maintained	Percentage of certified plants and plant products shipment (lots) that meet the country of destination phytosanitary import requirements	99%	99%	Met

Performance Analysis and Lessons Learned

The performance for domestic seed, crop inputs and plants with novel traits in compliance with Canadian regulations and international agreements was exceeded due to:

- applicants and field managers were well educated about program requirements;
- good communication between the CFIA and applicants; and
- no extreme weather patterns during the growing season.

Close working relationship between Agency units, professionalism and good internal communication were responsible for the increased performance in the issuing of notices in a timely manner.

Continuing to modernize plant regulations and inspection activities

The CFIA continued to modernize its regulations related to seeds and plant breeder's rights, and inspection activities by making them more risk and outcome-based to provide greater flexibility, such as providing a more modern intellectual property framework for Plant Breeders that encourages increased investment, and decreasing red tape for the regulated sector.

Initiatives to control pests

The *Asian Long-horned Beetle* (ALHB), previously declared eradicated from the regulated area in Toronto and Vaughan, was detected in August 2013 in a separate, previously unregulated, industrial area near Pearson International Airport in Mississauga, Ontario. The CFIA established a new quarantine area and is undertaking control measures in concert with other federal, provincial, and municipal counterparts.

Through the Beyond the Border (BtB) and Regulatory Cooperation Council (RCC) the CFIA focused on plant-related issues to:

- prevent the introduction into Canada of the Asian Gypsy Moth (AGM), a particularly destructive invasive species, by implementing a Canada-US AGM working group and coordinating assessments of countries regulated for AGM. Other countries, such as Mexico and New Zealand, were engaged in an expanded AGM certification program.
- conduct a feasibility study on the Harmonization of Wood Packaging Materials, a pilot aimed at advancing a North American Perimeter Approach (NAPA) to inspecting off-continent wood packaging at the first point of arrival. Pests that might be hidden in wood packaging material would be detected before having a chance to reach the Canadian environment.
- continue NAPA pilots to coordinate regulatory oversight approaches of Chrysanthemum White Rust (CWR) and streamlining commodity certification processes for the Greenhouse Certification Program (GCP).
- with its U.S. counterpart, the Agency developed a draft Memorandum of Understanding to establish a framework for ongoing cooperation on plant health issues of mutual concern.

2.1.3.1 Sub-Program: Plant Protection

The Plant Protection sub-program aims to mitigate the risks associated with the introduction and spread of plant pests of quarantine significance to Canada. This sub-program achieves its objectives by delivering initiatives that track, detect and control, or eradicate regulated plant pests and diseases as set out in the relevant governing acts and regulations. The program verifies that plants and plant products, and their associated risk pathways, meet phytosanitary requirements. Through verification of compliance, this sub-program supports environmental sustainability, and public health and instils confidence in Canada's plants and plant products.

Budgetary Financial Resources (dollars) – Sub-Program: Plant Protection

2013-14 Planned Spending	2013-14 Actual Spending	2013-14 Difference (actual minus planned)
67,636,012	69,187,066	1,551,054

Human Resources (FTEs) – Sub-Program: Plant Protection

2013-14 Planned	2013-14 Actual	2013-14 Difference (actual minus planned)
665	626	(39)

Table 2-3b: Summary of Performance by Sub-Program: Plant Protection

Expected Result	Performance Indicators	Targets	Actual Results	
Pre-border plant pest risks are mitigated	Percentage of inspected shipments from off-shore system approaches or pre-clearance programs in compliance with federal regulations	85%	99%	Met
At-Border plant pest risks are mitigated	Percentage of pre-arrival documentation in compliance with Canadian import requirements	90%	99%	Met
Post-border plant pest risks are mitigated	Percentage of new pest detections that have a science based management plan initiated within one year	90%	N/A No new pest detections	

Performance Analysis and Lessons Learned***Percentage of inspected shipments from off-shore system approaches or pre-clearance programs in compliance with federal regulations***

The high compliance rate indicates that the investment in communication of Canadian requirements to foreign countries and the investment of resources in developing and auditing the systems-based programs in the countries of origin are yielding a high rate of compliance with Canadian requirements.

Percentage of pre-arrival documentation in compliance with Canadian import requirements

The higher performance indicates foreign countries and importers have a strong understanding of Canadian requirements and, in cases where minor deficiencies are identified, they are able to readily address the deficiencies in order to permit the import of their plant or plant product shipment.

Plant Protection

In 2013–14, the CFIA continued to deliver the Plum Pox Management and Monitoring Program (PPMMP) through the completion of surveys and monitoring activities. The Plum Pox Virus (PPV) is a plant disease that drastically reduces yields of stone fruit. The CFIA detected PPV in the remaining quarantine area in Ontario. As a result, the western border of the quarantine area was expanded by 800 metres and survey activities will continue in 2014–15. Additionally, the CFIA continued creating a baseline of genetic data to help identify new strains of the PPV.

The CFIA continued implementing its Invasive Plants Directive, which describes the CFIA's invasive plants policy and provides a list of pest plants that are prohibited in Canada. The directive aims to control the importation and the domestic movement of pest plants in Canada. In the implementation, the Agency collaborated with domestic and international stakeholders, such as provinces and Invasive Species Councils and international partners through the WTO notification process. The Agency also collaborated with provincial partners on response options for woolly cupgrass (WCG) – an invasive plant that competes with crops, especially corn and soybeans, reducing their yield – and options for control of kudzu – an invasive plant that reduces biodiversity and causes significant productivity losses to the agriculture and forestry sectors. As well, the CFIA implemented regulatory control of other invasive plants such as jointed goatgrass in Ontario.

The Agency supported the provincial government and industry's implementation of farm level biosecurity for potato and grains and oilseeds through the development, distribution and web posting of standards, producer guides and communication tools for producers. The implementation of effective biosecurity measures across commodities supports the prevention of introduction and spread of pests, contributing to a healthy and sustainable plant resource and safe-guarding the health and well-being of Canadians, the environment and the economy.

2.1.3.2 Sub-Program: Seed

The Seed sub-program aims to ensure that seeds sold in Canada meet established standards, that seeds are properly represented in the marketplace and that most agricultural crop kinds are registered before entering the marketplace. The program achieves its objectives by verifying that seeds meet quality, biosafety, labelling and registration standards as set out in the relevant governing acts and regulations. Regulating the environmental release of plants with novel traits contributes to environmental sustainability and the health and safety of Canadians. Furthermore, quality assured and accurately labelled seeds contribute to a prosperous agricultural production system and to domestic and international confidence in Canada's seeds.

Budgetary Financial Resources (dollars) – Sub-Program: Seed

2013-14 Planned Spending	2013-14 Actual Spending	2013-14 Difference (actual minus planned)
11,895,131	12,100,495	205,364

Human Resources (FTEs) – Sub-Program: Seed

2013-14 Planned	2013-14 Actual	2013-14 Difference (actual minus planned)
131	132	1

Table 2-3c: Summary of Performance by Sub-Program: Seed

Expected Result	Performance Indicators	Targets	Actual Results	
Seed complies with federal regulations	Percentage of tested domestic pedigreed seed lots in compliance with federal regulations	95%	95%	Met
	Percentage of authorized confined releases of Plants with Novel Traits (PNTs) into the Canadian environment that are in compliance with the authorized conditions	90%	91%	Met

Performance Analysis and Lessons Learned

The Agency continued to prepare for the Alternative Service Delivery (ASD) transition of seed crop inspection to the private sector, beginning in the 2014 crop season. In 2013-14, the CFIA trained and evaluated over 170 private sector inspectors, resulting in more than 140 being issued licences. In addition, 24 entities were licensed as Authorized Seed Crop Inspection Services following review and evaluation of their quality management system manuals.

In anticipation of regulatory updates, the CFIA has been encouraging Seed Potato producers to voluntarily adhere to the Seed Potato Tuber Quality Management Program (SPTQMP). As a result, more than 130 growers have signed up voluntarily in 2013-14 and the CFIA will be exploring alternative approaches with stakeholders to facilitate seed potato movement both domestically and to the United States. The goal of the SPTQMP is to adjust to industry practices, facilitate timely delivery of seed potatoes during a very short timeframe domestically, and make efficient use of CFIA resources, while maintaining credibility and compliance to existing standards. The United States does not consider the SPTQMP as meeting their import requirements and the Agency will continue to explore other ASD approaches to meet U.S. import requirements and expectations.

In keeping with efforts to increase innovation and productivity in Canadian agriculture, the CFIA, along with AAFC and the Canadian Grain Commission, engaged stakeholders to review the crop variety registration system and its effects on the development and adoption of new varieties. This review is consistent with the government's focus on innovation, competitiveness, market development, and regulatory modernization to generate economic growth across the sector.

2.1.3.3 Sub-Program: Fertilizer

The Fertilizer sub-program aims to ensure that regulated fertilizer, fertilizer/pesticides and supplement products sold in Canada are properly labelled, effective and safe for humans, plants, animals, and the environment. The program achieves its objectives by verifying that all fertilizers and supplements meet the standards for safety and efficacy as set out in the relevant governing acts and regulations. Through verification of compliance, the program contributes to public health and environmental sustainability and supports domestic and international confidence in fertilizers manufactured in Canada.

Budgetary Financial Resources (dollars) – Sub-Program: Fertilizer

2013-14 Planned Spending	2013-14 Actual Spending	2013-14 Difference (actual minus planned)
4,188,631	4,260,946	72,315

Human Resources (FTEs) – Sub-Program: Fertilizer

2013-14 Planned	2013-14 Actual	2013-14 Difference (actual minus planned)
49	43	(6)

Table 2-3d: Summary of Performance by Sub-Program: Fertilizer

Expected Result	Performance Indicators	Targets	Actual Results	
Fertilizer and supplement products meet federal regulations	Percentage of inspected fertilizer and supplement products in compliance with federal regulations (Fertilizers Regulations)	90%	92%	Met
	Percentage of submissions reviewed within the prescribed service delivery standards	90%	90%	Met

Performance Analysis and Lessons Learned

Changes to Fertilizers Regulations

In April 2013, requirements for fertilizer and supplement efficacy and quality were removed from the Fertilizers Regulations, and the Fertilizer Program was changed accordingly. This included discontinuing pre-market efficacy assessments, verification of performance claims, and market place monitoring for quality. Regulated products are still required to be safe and properly labelled.

These changes facilitate Canadian producers' access to innovative agricultural inputs and open the door to more complex product formulations with multiple active ingredients for which applicants have not been able to demonstrate efficacy. The CFIA is receiving more applications for this type of product. As safety assessments of complex formulations are more demanding and take longer to complete, this may impact the Fertilizer Program's ability to meet service delivery standards. The CFIA is monitoring this trend to help to allow for a timely product review.

In addition to the changes implemented in 2013, the Fertilizer Program continues to modernize its regulatory and policy frameworks as part of the CFIA's regulatory modernization strategy. This initiative takes a risk-based approach by exempting from registration additional products that are deemed safe and have a well-established history of use. It also streamlines the CFIA registration process, creates greater flexibility and lessens red tape for regulated parties. The initiative is targeted for completion in 2015. Modernization efforts support the response to the Agency's evaluation of the Fertilizer Program^{xxiii}, with a strong emphasis on pro-active risk identification and integration in program design and delivery.

2.1.3.4 Sub-Program: Intellectual Property Rights

The Intellectual Property Rights sub-program, by which plant breeders can obtain intellectual property rights for their new plant varieties, aims to create an environment in Canada which supports innovation in plant breeding, as set out in the relevant governing acts and regulations. This sub-program achieves its objectives by assessing applications from plant breeders to determine that new plant varieties meet the criteria for protection, and when all requirements have been met, granting rights to the variety breeder/owner for a period of up to 18 years. The owner of a new variety who receives a grant of rights has exclusive rights over use of the variety, and will be able to protect his/her new variety from exploitation by others. By enforcing the relevant governing acts and regulations, this sub-program stimulates plant breeding in Canada, facilitates better access to foreign varieties for Canadian producers and supports the protection of Canadian varieties in other countries.

Budgetary Financial Resources (dollars) – Sub-Program: Intellectual Property Rights

2013-14 Planned Spending	2013-14 Actual Spending	2013-14 Difference (actual minus planned)
972,667	989,460	16,793

Human Resources (FTEs) – Sub-Program: Intellectual Property Rights

2013-14 Planned	2013-14 Actual	2013-14 Difference (actual minus planned)
10	8	(2)

Table 2-3e: Summary of Performance by Sub-Program: Intellectual Property Rights

Expected Result	Performance Indicators	Targets	Actual Results	
Plant breeders develop new varieties for the Canadian market	Percentage of Plant Breeders' Rights applications that reach approval and are granted rights	100%	100%	Met

Performance Analysis and Lessons Learned

For the 2013 calendar year, the CFIA approved 322 applications for Plant Breeders' Rights (PBR), and 236 approved applications were granted PBR. More information on PBR can be found on the Canadian Food Inspection Agency's [website](#)^{xxiv}.

Modernizing Plant Breeders' Rights

To strengthen breeders' rights in Canada, the CFIA continues to modernize the PBR program by updating the intellectual property framework, encouraging increased investment in and innovation of plant breeding. The CFIA completed the first phase of PBR modernization by tabling proposed amendments under Bill C-18, the *Agricultural Growth Act*. The CFIA has conducted 14 outreach sessions with various stakeholder organizations and will continue consultations in the summer of 2014. The CFIA will begin the second phase of PBR modernization, focusing on improving program efficiency and effectiveness.

2.1.4 International Collaboration and Technical Agreements

The Canadian Food Inspection Agency's International Collaboration and Technical Agreements program contributes to a coherent, predictable, and science-based international regulatory framework that facilitates meeting regulatory requirements of importing countries' food, animals and plants, and their products, resulting in the facilitation of multi-billion dollar trade for the Canadian economy. The program achieves its objectives through actively participating in international fora for the development of international science-based rules, standards, guidelines and policies and the management of sanitary and phytosanitary committees established under international agreements. The CFIA's active promotion of the Canadian science-based regulatory system with foreign trading partners and negotiations to resolve scientific and technical issues contribute to market access.

Based on market demand, the CFIA will also continue to negotiate and certify against export conditions in order to access export markets. The Agency, working with industry and interested stakeholders, will continue to develop and maintain export certification standards (which vary from country to country and commodity to commodity), conduct inspections and issue export certificates.

Budgetary Financial Resources (dollars) – International Collaboration and Technical Agreements

2013-14 Main Estimates	2013-14 Planned Spending	2013-14 Total Authorities Available for use	2013-14 Actual Spending (authorities used)	2013-14 Difference (actual minus planned)
31,697,693	31,697,647	37,154,661	35,004,557	3,306,910

Human Resources (FTEs) – International Collaboration and Technical Agreements

2013-14 Planned	2013-14 Actual	2013-14 Difference (actual minus planned)
338	343	5

The increase between Planned Spending and Actual Spending of \$3.3 million and 5 FTEs are related to Agency investments in international engagement and standard setting primarily in relation to food, and expenditures made on behalf of the Treasury Board (such as parental and maternity allowances, entitlements on cessation of service, etc.). In addition, the Agency made a concerted effort to improve the alignment of program expenditures and FTEs. As such, a portion of Bovine Spongiform Encephalopathy (BSE) Actual Spending was aligned to the International Collaboration and Technical Agreements Program, while all BSE Planned Spending was aligned to the Animal Health Program, contributing to the increase in Actual Spending over Planned Spending for the International Collaboration and Technical Agreement Program.

Table 2-4a: Summary of Performance by Program: International Collaboration and Technical Agreements

Expected Result	Performance Indicators	Targets	Performance Status	
Canadian interests are reflected in science-based international rules, standards, Free Trade Agreements, and technical arrangements through effective participation in Sanitary and Phytosanitary (SPS) negotiations and International Standards Setting Bodies (ISSB) such as Codex, OIE, and IPPC	Number of key sanitary and phytosanitary negotiations and international standards setting bodies meetings where the CFIA promoted Canada's interests	24	40	Met
International markets are accessible to Canadian food, animals, plants, and their products	Number of unjustified non- tariff barriers resolved	24 ⁷	50	Met
International regulatory cooperation, relationship building and technical assistance activities that are in line with the CFIA's mandate	Number of senior level CFIA-led committees with foreign regulatory counterparts	5	6	Met
	Number of CFIA-led technical assistance activities provided to foreign national governments	6 ⁸	9	Met

Performance Analysis and Lessons Learned

Number of key sanitary and phytosanitary negotiations and international standards setting bodies (ISSB) meetings where the CFIA promoted Canada's interests:

A category of meetings was inadvertently not forecast and ISSBs organized additional meetings that were not anticipated when the CFIA made its forecast for the RPP. Both factors contributed to the performance for this indicator far exceeding the planned target.

Number of unjustified non- tariff barriers resolved:

The CFIA exceeded the target set in 2013-14 because the Government of Canada's Global Commerce Strategy required that the Agency undertake a higher number of market access activities than had been planned.

⁷ The target in the 2013-14 RPP was: 10/Year. **Rationale for change:** The indicator target was revised to better reflect the expected volume of activities.

⁸ The target in the 2013-14 RPP was: 10/Year. **Rationale for change:** The indicator target was revised to better reflect the expected volume of activities.

Number of CFIA-led technical assistance activities provided to foreign national governments:

The delivery of a technical assistance activity by the CFIA is a demand driven response to a request from a foreign government that is assessed through an internal CFIA governance process on a case by case basis. In 2013-14, the CFIA identified and successfully delivered nine requests, surpassing the planned target of six.

International Collaboration and Technical Agreements

During 2013-14, the CFIA continued to engage international regulatory counterparts to support efforts to identify best practices in food safety, animal, and plant health regulatory approaches, advance resolution of potential issues and promote science-based approaches. For example, the CFIA:

- continued discussions with China to advance collaboration on and resolution of food safety, animal health and plant health issues;
- fostered further collaboration with the U.S. Food and Drug Administration on modernizing food safety systems; and
- hosted the Canada-European Union Veterinary Joint Management Committee to advance technical discussions on joint food safety and animal health objectives.

Advancing the Beyond the Border and Regulatory Cooperation Council initiatives with the U.S.

The CFIA continued implementation of the initiatives by working with industry stakeholders and U.S. counterparts to:

- develop procedures to share information for joint assessments on food safety, plant health and animal health risks;
- initiate pilots to create a common approach to meat cut nomenclature systems and to reduce quality related inspections for the import of U.S. onions ;
- draft a framework to implement the previously signed arrangement for mutual recognition of zoning decisions;
- undertake stakeholder consultations on a Framework for the Perimeter Approach to Plant Protection; and
- commence in-country food (non-meat) safety systems recognition assessments, with the intent to determine the comparability of the Canadian and U.S. systems.

Advancing food, animal health, and plant protection agenda multilaterally

As Canada's lead for the domestic implementation of the World Trade Organization (WTO) Agreement on the Application of Sanitary and Phytosanitary (SPS) Measures, the CFIA led and continued to coordinate Canada's SPS input into various WTO fora such as the Negotiating Group on Trade Facilitation.

Similarly, the CFIA led Canada's participation at the International Plant Protection Convention (IPPC), the World Organization for Animal Health (OIE); and in certain committees of the Codex Alimentarius Commission to promote the development of international science-based standards consistent with Canada's regulatory framework.

Furthermore, the CFIA collaborated on a new Strategic Plan at the North American Plant Protection Organization (NAPPO), an IPPC regional body that develops regional phytosanitary standards to enable the trade of plants and plant products between Canada, the U.S. and Mexico.

Furthermore, the CFIA continued to work with AAFC in raising awareness about and developing global solutions with respect to low level presence (LLP) of genetically modified (GM) crops in international trade. LLP refers to the unintended presence, at low levels, of minute amounts of GM material that has been approved in at least one country but not in the country that is importing the product. Over the past year, we have collaborated with AAFC to build awareness of the issue of LLP on an international level, including exchanging information on how countries manage LLP and developing a common understanding of the trade risks posed by LLP.

Fulfilling Canada's obligations under various international treaties

In 2013-14, the CFIA continued to fulfill Canada's obligations under the Union for the Protection of New Varieties of Plants (UPOV), the Organization for Economic Cooperation and Development (OECD) Seed Schemes, the Association of Official Seed Certifying Agencies (AOSCA), the International Seed Testing Association (ISTA), the Association of Official Seed Analysts (AOSA) and the Association of American Seed Control Officials (AASCO).

Supporting bilateral and multilateral trade negotiations

Working closely with the Department of Foreign Affairs Trade and Development Canada (DFATD), the CFIA continued to co-lead the SPS components of the Trans-Pacific Partnership (TPP) negotiations, the Canada-India Comprehensive Economic Partnership Agreement (CEPA) and the Canada-EU Comprehensive Economic and Trade Agreement (CETA) negotiations. The CFIA also contributed to the development of positions and strategies for free trade agreement (FTA) negotiations for all SPS chapters as well as other chapters that affect the Agency's mandate.

2.1.5 Internal Services

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; Acquisition Services; and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

Budgetary Financial Resources (dollars) – Internal Service

2013-14 Main Estimates	2013-14 Planned Spending	2013-14 Total Authorities Available for use	2013-14 Actual Spending (authorities used)	2013-14 Difference (actual minus planned)
128,153,885	130,281,252	137,563,698	131,959,340	1,678,088

Human Resources (Full-Time Equivalents – FTEs) – Internal Service

2013-14 Planned	2013-14 Actual	2013-14 Difference (actual minus planned)
898	856	(42)

The increase between Planned and Actual Spending of \$1.7 million is primarily related to expenditures made on behalf of the Treasury Board (such as parental and maternity allowances, entitlements on cessation of service, etc.) and collective bargaining settlement payments negotiated in the 2013-14 fiscal year. The decrease of 42 FTEs from Planned to Actual primarily relates to the application of reductions stemming from savings initiatives. In addition, the Agency made a concerted effort to improve the alignment of program expenditures and FTEs to the applicable programs.

Performance Analysis and Lessons Learned

Enhancing the Agency's stewardship

The Agency continued to implement an Agency-wide stewardship approach, including:

- project management improvement through the development of a refined project management policy framework and making available project management training, coaching and mentoring.
- strategic procurement enhancement by linking procurement planning to projects and program planning. Branch procurement plans were completed for all branches and are used to inform on strategic procurement opportunities, establish priorities, and determine resource needs.

- developed and is communicating the CFIA's Real Property Management Framework to stakeholders to support timely and informed real property management decisions and their relationship with the strategic outcome of programs.

Leveraging government-wide initiatives to improve information management and information systems

The CFIA made progress in the area of information and record management by exploring modern information management and collaborative solutions, while continuing to maintain and enhance its existing foundation. More specifically, the Agency:

- partnered with Library and Archives Canada, to improve its paper holdings archives;
- implemented TBS's Standard on Email Management and Record Keeping policies;
- initiated, as part of Treasury Board Secretariat (TBS) Record Keeping compliance, a number of activities related to information assets, including:
 - revision of the file classification plan to a function based system;
 - identification and completion of an inventory of records; and
 - revisions to the file retention plan to revisit the schedules for retention.
- explored software options for collaborative solutions, which will complement the existing information systems widely used by staff as standard repositories, so as to better manage information assets and fulfill the growing need for timely, consistent, accessible, and trusted information.
- as part of Open Government, implemented ATIP By-Online, which allows for access to information and privacy (ATIP) requests for CFIA information to be done online.

Risk Management

An All Hazard Risk Assessment (AHRA) was completed targeting 46 identified risks covering naturally occurring hazards i.e. biological, meteorological, and geographical and human induced events. The AHRA covers unintentional and intentional events as well as risks identified in the CFIA's Security Plan. This information was a key requirement for inclusion in the Agency's Strategic Emergency Management Plan (SEMP).

Focusing on people

The CFIA implemented its new Conflict of Interest (CoI), Post-Employment Policy and related Standard Operating Procedures and new online submission form. A comprehensive Values and Ethics in-class training course with emphasis on CoI was delivered in the National Capital Region, and the Atlantic, Quebec and Western Areas. The Agency also launched its first Ethical Climate Survey to help identify the CFIA's ethical climate and culture. An in-depth analysis of the results is underway.

The CFIA Office of the Staffing Ombudsman, dedicated to addressing staffing complaints, went operational in 2013.

The Agency streamlined human resources (HR) service delivery for managers and employees by implementing a multi-channel HR contact centre (phone, email, and mail). Efficiency and effectiveness in the delivery of HR services have increased and the HR contact centre has completed over 117,000 transactions. Furthermore, 1-888 HR already handles various processes, including the departure process and Long Term Service Awards for the NCR and Atlantic.

Maintaining citizen-focused service delivery

The CFIA's Complaints and Appeals Office, created in April 2012 to support the Agency's commitment to improve service delivery for stakeholders, published its first Annual Report on the Agency's website^{xxv} and shared with national associations in January 2014.

The Agency continued to increase transparency and provide Canadians with useful and timely information about the work the CFIA does and how it is done. The Agency has strived to make information more widely available to Canadians and other stakeholders by:

- actively participating in the Consumer Association Roundtable (CAR) to receive input and provide clarification on various CFIA initiatives;
- improving the Agency's website to provide easier access to, and clearer information to Canadians, in areas such as food recalls, allergy alerts, and enforcement data;
- enhancing the ability for Canadians to report animal and aquatic animal diseases to the CFIA;
- launching the industry labelling tool;
- developing the Agency's 2013-2015 Social Media Strategy for Official Communications;
- creating the CFIA's Facebook page; and
- providing specific enforcement data (prosecution bulletins, suspended and cancelled organic certifications, and quarterly reports of non-compliant and disposed food products, refused shipments, Administrative Monetary Penalties, and license suspensions and cancellations)

Section III: Supplementary Information

3.1 Financial Highlights

The financial highlights presented within the Agency's Performance Report are intended to serve as a general overview of the CFIA's financial position and operations. Financial statements are prepared in accordance with accrual accounting principles, Treasury Board accounting policies and year-end instructions issued by the Office of the Comptroller General which are based on Canadian generally accepted accounting principles for the public sector as required under Section 31 of the *Canadian Food Inspection Agency Act*.

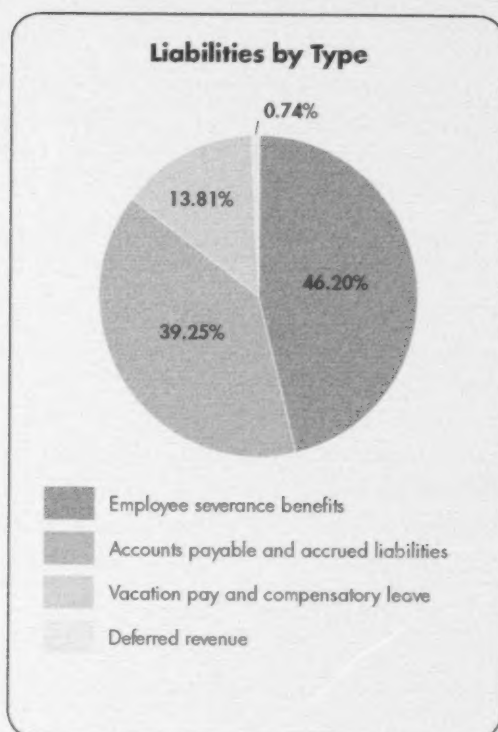
The main financial highlights for 2013-2014 are the reduction of the allowance for workforce adjustments and the reduction in expenses related to employee severance benefits, offset by an increase in the allowance for expired collective agreements, resulting in regular expenditures consistent with 2012-2013 at the Agency level. However, the compensation payments from the infectious salmon anaemia (ISA) outbreak in the Atlantic region led to higher expenses in the Animal Health and Zoonotics Program. Food Safety program activities were higher than last year, offset by a reduction in the Internal Services program activities. Finally, capital investments related to the modernization of information technologies were less compared to the prior year.

Canadian Food Inspection Agency
Condensed Statement of Operations and Agency Net Financial Position
(Unaudited) Year ended March 31, 2014
(In thousands of dollars)

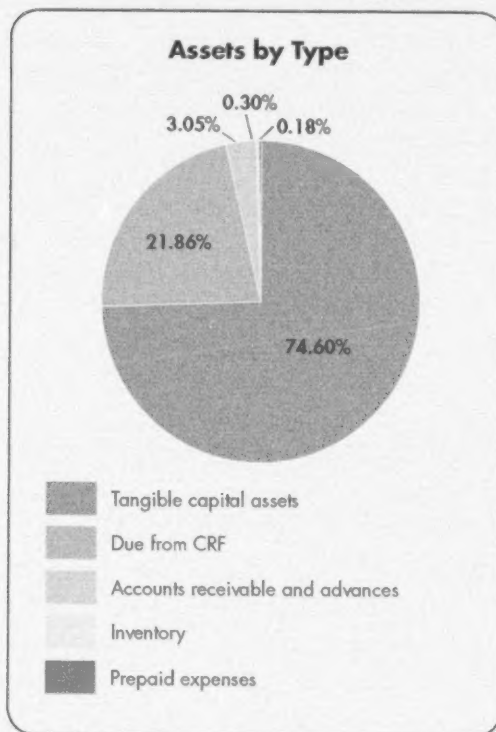
	2013-14		2012-13 Actual	Difference (2013-14 actual minus 2013-14 planned)	Difference (2013-14 actual minus 2012-13 actual)
	Planned Results	Actual			
Total expenses	854,708	886,508	865,151	31,800	21,357
Total revenues	52,160	58,594	57,633	6,434	961
Net cost of operations before government funding and transfers	802,548	827,914	807,518	25,366	20,396
Agency – Net Financial position	120,295	29,246	29,403	(91,049)	(157)

Canadian Food Inspection Agency
Condensed Statement of Financial Position (Unaudited) As at March 31, 2014
(In thousands of dollars)

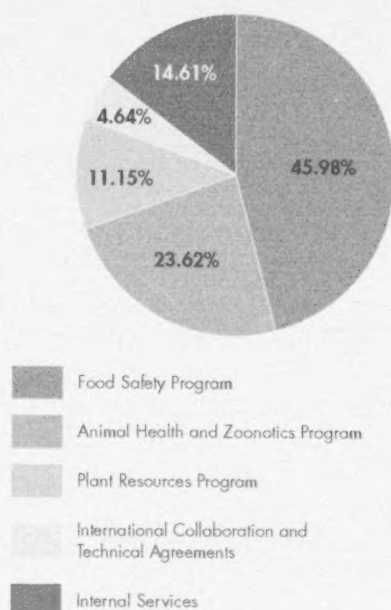
	2013-14	2012-13	Difference (2013-14 minus 2012-13)
Total net liabilities	237,834	246,592	(8,758)
Total net financial assets	66,549	70,175	(3,626)
Agency – net debt	171,285	176,417	(5,132)
Total non-financial assets	200,531	205,820	(5,289)
Agency – Net Financial Position	29,246	29,403	(157)



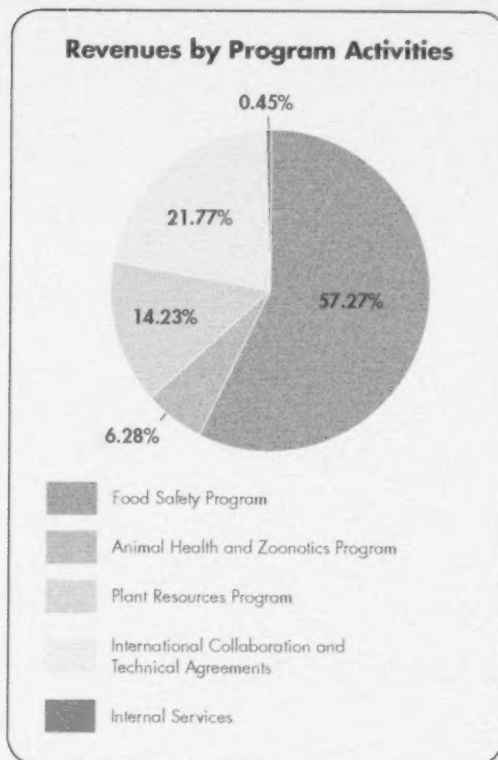
Total liabilities at the end of 2013-14 were \$238 million, a decrease of \$9 million (4%) over the previous year's total liabilities of \$247 million. The decrease is mostly the result of a reduction of \$6 million in the allowance for workforce adjustments and a reduction \$13 million in allowance for employee severance benefits offset by an increase of \$16 million of the allowance for expired collective agreements. Employee severance benefits represented 46% of total liabilities, at \$110 million, followed by the accounts payable and accrued liabilities which corresponded to 39 % of total liabilities, at \$93 million. Vacation pay and compensatory leave amounted to \$33 million (14%), while deferred revenue represented less than 1% of total liabilities



The total net financial assets of \$67 million represents a decrease of \$4 million (5%), mainly the result of a diminution in the amount of Due from the Consolidated Revenue Fund (CRF) caused by a decrease in payables at year-end. The non-financial assets (\$201 million) were \$5 million less (3%) compared to 2012–13. Tangible capital assets represented the largest portion of total assets, at \$199 million (75%), while Due from CRF corresponded to 22% at \$58 million. Accounts receivable and advances only represented 3%, followed by the inventory and prepaid expenses which were both less than 1% of total assets.

Expenses by Program Activities

The total expenses were \$887 million in 2014, an increase of \$22 million (3%) compared to last year. Significant variances came from an increase in payments related to the Infectious Salmon Anemia compensation payments (within the Animal Health and Zoonotics Program) and higher expenditures in the Food Safety Program (Food Safety Modernization, Inspection Verification Teams) offset by recent savings initiatives undertaken by the government. The Agency has achieved these savings mainly through efficiencies and has not reduced staff or cut programs that would in any way impact food safety or place the health and safety of Canadians at risk. In summary, the majority of the expenses, \$408 million (46%) were under the Food Safety Program. The Animal Health and Zoonotics Program formed 24% of total expenses, while the Plant Resources Program represented 11%. Approximately 5% of all expenses were under the International Collaboration and Technical Agreements. Finally, the Internal Services amounted to \$129 million (15%), a reduction of \$14 million compared to 2012-13.



The total revenues amounted to \$58.6 million for 2013–14. The increase from 2012–13 is mostly because of administrative monetary penalties which are no longer earned on behalf of Government. The inspection fees form the biggest portion of the revenues at \$42 million, representing 72% of all revenues. 57% of the revenues was derived from the Food Safety Program, while the International Collaboration and Technical Agreements represented 22% at \$12.8 million. The Plant Resources Program represented 14% of all revenues while the Animal Health and Zoonotics Program represented approximately 6%.

Comparison between Future-Oriented Financial Information and Actual Results

CFIA planned results are taken from the 2013–14 Future-Oriented Financial Statements referenced in the Agency's 2013–14 Report on Plans and Priorities.

The main difference between the planned and the actual expenses comes from the compensation payments related to the infectious salmon anaemia outbreak leading to higher expenses in the Animal Health and Zoonotics Program than forecasted.

The most significant assumption made in the 2013–14 Future-Oriented Financial Statements was the expected renewal of various collective agreements, which did not materialize by the end of fiscal year 2013–14. A large number of employees were forecasted to receive a payout for employee severance benefits because of that renewal. The impact is an important variance between the planned and actual net cash provided by government. That same item also affected the net financial position forecast.

3.2 Financial Statements

Financial Statements of

CANADIAN FOOD INSPECTION AGENCY (UNAUDITED)

Year ended March 31, 2014

CANADIAN FOOD INSPECTION AGENCY

Statement of Management Responsibility Including Internal Control Over Financial Reporting (Unaudited)

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2014 and all information contained in these statements rests with the Agency's management. These financial statements have been prepared by management using the Government's accounting policies, which are based on Canadian public sector accounting standards.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgement, and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the Agency's financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in the Agency's *Departmental Performance Report* is consistent with these financial statements.

Management is also responsible for maintaining an effective system of internal control over financial reporting (ICFR) designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are properly authorized and recorded in accordance with the *Financial Administration Act* and other applicable legislation, regulations, authorities and policies.

Management seeks to ensure the objectivity and integrity of data in its financial statements through careful selection, training and development of qualified staff; through organizational arrangements that provide appropriate divisions of responsibility; through communication programs aimed at ensuring that regulations, policies, standards, and managerial authorities are understood throughout the Agency and through conducting an annual risk-based assessment of the effectiveness of the system of ICFR.

The system of ICFR is designed to mitigate risks to a reasonable level based on an on-going process to identify key risks, to assess effectiveness of associated key controls, and to make any necessary adjustments.

A risk-based assessment of the system of ICFR for the year ended March 31, 2014 was completed in accordance with the Treasury Board *Policy on Internal Control* and the results and action plans are summarized in the annex.

CANADIAN FOOD INSPECTION AGENCY

Statement of Management Responsibility Including Internal Control Over Financial Reporting
(Unaudited)

The effectiveness and adequacy of the Agency's system of internal control is reviewed by the work of internal audit staff, who conduct periodic audits of different areas of the Agency's operations, and by the Departmental Audit Committee, which is responsible for providing the President with independent and objective advice on the maintenance of adequate control systems and the quality of financial reporting. The Departmental Audit Committee provides this support through oversight of core areas of the Agency's controls and accountabilities.

The financial statements of the Canadian Food Inspection Agency have not been audited.

Original signed by

B.A. (Bruce) Archibald, PhD
President

Ottawa, Canada
August 27, 2014

Original signed by

Daniel G. Paquette, CPA, CA
Vice-President, CMB and Chief Financial
Officer

CANADIAN FOOD INSPECTION AGENCY

Statement of Financial Position (Unaudited)

As at March 31

(In thousands of dollars)

	2014	2013
Liabilities		
Accounts payable and accrued liabilities (Note 4)	\$ 93,357	\$ 87,939
Vacation pay and compensatory leave	32,839	34,557
Deferred revenue	1,765	1,404
Employee severance benefits (Note 5 (b))	109,873	122,692
Total liabilities	237,834	246,592
Financial Assets		
Due from Consolidated Revenue Fund	58,396	62,066
Accounts receivable and advances (Note 6)	8,217	9,152
Total gross financial assets	66,613	71,218
Accounts receivable and advances held on behalf of Government (Note 6)	(64)	(1,043)
Total net financial assets	66,549	70,175
Agency - net debt	171,285	176,417
Non-Financial assets		
Prepaid expenses	484	1,434
Inventory	796	769
Tangible capital assets (Note 7)	199,251	203,617
Total non-financial assets	200,531	205,820
Agency - net financial position	\$ 29,246	\$ 29,403

Contingent liabilities (Note 8)

Contractual obligations (Note 9)

The accompanying notes are an integral part of these financial statements.

Approved by:

Original signed by

B.A. (Bruce) Archibald, PhD
PresidentOttawa, Canada
August 27, 2014

Original signed by

Daniel G. Paquette, CPA, CA
Vice-President, CMB and Chief Financial
Officer

CANADIAN FOOD INSPECTION AGENCY

Statement of Operations and Agency Net Financial Position (Unaudited)

Year ended March 31
(In thousands of dollars)

	2014 Planned Results	2014	2013
Expenses			
Food Safety Program	\$ 407,900	\$ 407,591	\$ 392,142
Animal Health and Zoonotics Program	155,430	209,392	190,472
Plant Resources Program	99,282	98,841	100,074
International Collaboration and Technical Agreements	36,617	41,145	38,910
Internal Services	155,483	129,361	143,623
Expenses incurred on behalf of Government	(4)	178	(70)
Total expenses	854,708	886,508	865,151
Revenues			
Inspection fees	39,304	42,072	42,116
Registrations, permits, certificates	8,237	8,625	8,829
Miscellaneous fees and services	2,788	4,826	4,852
Establishment license fees	623	2,067	1,783
Administrative monetary penalties	1,726	1,221	2,012
Grading	193	152	175
Interest	32	30	32
Revenues earned on behalf of Government	(743)	(399)	(2,166)
Total revenues	52,160	58,594	57,633
Net cost of operations	802,548	827,914	807,518
Government funding and transfers			
Net Cash provided by government	825,086	749,117	709,583
Change in due from Consolidated Revenue Fund	2,046	(3,670)	15,542
Services provided without charge by other government departments (Note 10)	79,497	82,284	85,870
Assets funded by other government departments (OGD)	1,200	67	130
Transfer of assets and liabilities from/to OGD	-	(41)	(1,066)
Net cost of operations after government funding and transfers	(105,281)	157	(2,541)
Agency - net financial position - Beginning of year	15,014	29,403	26,862
Agency - net financial position - End of year	\$ 120,295	\$ 29,246	\$ 29,403

Segmented information (Note 11)

The accompanying notes are an integral part of these financial statements.

CANADIAN FOOD INSPECTION AGENCY

Statement of Change in Agency Net Debt (Unaudited)

Year ended March 31
(In thousands of dollars)

	2014 Planned Results	2014	2013
Net cost of operations after government funding and transfers	\$ (105,281)	\$ 157	\$ (2,541)
Change in tangible capital assets			
Acquisition of tangible capital assets	39,946	29,085	33,631
Amortization of tangible capital assets	(36,140)	(32,484)	(34,395)
Proceeds from disposal of tangible capital assets	(244)	(533)	(321)
Loss on disposal of tangible capital assets	(1,115)	(810)	(34)
Post-capitalization of tangible capital assets	400	350	48
Transfer from/to low value assets	(44)	-	-
Tangible capital assets funded by other government departments (OGD)	1025	67	130
Tangible capital assets transfer to OGD	-	(41)	-
Total change due to tangible capital assets	3,828	(4,366)	(941)
Change in inventories	(31)	27	(279)
Change in prepaid expenses	156	(950)	273
Net increase in Agency net debt	(101,328)	(5,132)	(3,488)
Agency - net debt - Beginning of year	188,528	176,417	179,905
Agency - net debt - End of year	\$ 87,200	\$ 171,285	\$ 176,417

The accompanying notes are an integral part of these financial statements.

CANADIAN FOOD INSPECTION AGENCY

Statement of Cash Flows (Unaudited)

Year ended March 31
(In thousands of dollars)

	2014	2013
Operating activities		
Cash received from:		
Fees, permits and certificates	\$ (59,761)	\$ (60,281)
Cash paid for:		
Salaries and employees benefits	567,281	573,125
Operating and maintenance	152,186	119,189
Transfer payments	60,471	42,137
Revenues collected on behalf of Government	388	2,103
Cash used by operating activities	720,565	676,273
Capital investment activities		
Acquisition of tangible capital assets	29,085	33,631
Proceeds from disposal of tangible capital assets	(533)	(321)
Cash used by capital investment activities	28,552	33,310
Net cash provided by Government of Canada	\$ 749,117	\$ 709,583

The accompanying notes are an integral part of these financial statements.

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements (Unaudited)

Year ended March 31, 2014

1. Authority and Purposes

The Canadian Food Inspection Agency (the "Agency") was established, effective April 1, 1997, under the *Canadian Food Inspection Agency Act*. The Act consolidates all federally mandated food and fish inspection services and federal animal and plant health activities into a single agency.

The Agency is a departmental corporation named in Schedule II to the *Financial Administration Act* and reports to Parliament through the Minister of Health.

The mandate of the Agency is to enhance the effectiveness and efficiency of federal inspection and related services for food, animals and plants. The objectives of the Agency are to contribute to a safe food supply and accurate product information; to contribute to the continuing health of animals and plants; and to facilitate trade in food, animals, plants, and related products.

In delivering its mandate, the Agency operates under the following 4 program activities supported by internal services:

- (a) Food Safety Program: The Food Safety Program aims to mitigate risks to public health associated with diseases and other health hazards in the food supply system and to manage food safety emergencies and incidents. The program achieves its objectives by promoting food safety awareness through public engagement and verification of compliance by industry with standards and science-based regulations. The program delivers initiatives to verify that consumers receive food safety and nutrition information and to mitigate unfair market practices targeting consumers and industry. Collaboration with other governments and stakeholders further enhances the Agency's ability to track, detect and mitigate risks associated with food and the food supply system, including food-borne illness. This program supports public health and instils confidence in Canada's food system.
- (b) Animal Health And Zoonotics Program: The Animal Health and Zoonotics Program aims to mitigate risks to Canada's animal resource base, animal feeds and animal products, which are integral to a safe and accessible food supply system as well as to public health. The program achieves its objectives by mitigating risks to Canada's animals (including livestock and aquatic animals) from regulated diseases, managing animal disease emergencies and incidents, mitigating and managing risks to livestock and derived food products associated with feed, promoting animal welfare and guarding against deliberate threats to the animal resource base. The program helps to mitigate risks associated with animal diseases that can be transmitted to humans by controlling diseases within animal populations. This program supports the health of Canada's animal resources and instils confidence in the safety of Canada's animals, animal products and by-products, and production systems.
- (c) Plant Resources Program: The Plant Resources Program aims to mitigate risks to Canada's plant resource base, which is integral to a safe and accessible food supply, as well as to public health and environmental sustainability.

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements (Unaudited)

Year ended March 31, 2014

The program achieves its objectives by regulating agricultural and forestry products; mitigating risks to the plant resource base (including crops and forests) from regulated pests and diseases; regulating the safety and integrity of seeds, fertilizers and plant products; and managing plant health emergencies and incidents. The program also guards against deliberate threats to the plant resource base, facilitates the introduction of emerging plant technologies and protects the rights of plant breeders. Achieving the objectives of the program instils confidence in Canada's plants, plant production systems and plant products, and contributes to the health of Canada's plant resources.

- (d) **International Collaboration And Technical Agreements:** The CFIA's International Collaboration and Technical Agreements program contributes to a coherent, predictable, and science-based international regulatory framework that facilitates meeting regulatory requirements of importing countries' food, animals and plants, and their products, resulting in the facilitation of multi-billion dollar trade for the Canadian economy. The program achieves its objectives through actively participating in international fora for the development of international science-based rules, standards, guidelines and policies and, the management of sanitary and phytosanitary committees established under international agreements. The CFIA's active promotion of the Canadian science-based regulatory system with foreign trading partners and negotiations to resolve scientific and technical issues contribute to market access.
- (e) **Internal Services:** Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communication Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Material Management Services; Travel and Other Administrative Services. Internal Services include only those activities and resources that apply across the organization and not those provided specifically to a program.

The Agency is responsible for the administration and enforcement of the following acts: *Agriculture and Agri-Food Administrative Monetary Penalties Act, Canadian Food Inspection Agency Act, Feeds Act, Fertilizers Act, Health of Animals Act, Plant Breeders' Rights Act, Plant Protection Act, Seeds Act, and the Safe Food for Canadians Act*, which once enacted, will replace the *Canada Agricultural Products Act, Fish Inspection Act, Meat Inspection Act, and Consumer Packaging and Labelling Act* (as it relates to food).

In addition, the Agency is responsible for enforcement of the *Consumer Packaging and Labelling Act* and the *Food and Drugs Act* as they relate to food, except those provisions that relate to public health, safety, or nutrition.

Operating and capital expenditures are funded by the Government of Canada through parliamentary authorities. Compensation payments under the *Health of Animals Act* and the *Plant Protection Act* and employee benefits are authorized by separate statutory authorities. Revenues generated by its operations are deposited to the Consolidated Revenue Fund and are available for use by the Agency.

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements (Unaudited)

Year ended March 31, 2014

2. Summary of Significant Accounting Policies

These financial statements have been prepared using the Government's accounting policies stated below, which are based on Canadian public sector accounting standards. The presentation and results using the stated accounting policies do not result in any significant differences from Canadian public sector accounting standards.

Significant accounting policies are as follows:

(a) Parliamentary authorities

The Agency is mainly financed by the Government of Canada through parliamentary authorities. Authorities provided to the Agency do not parallel financial reporting according to generally accepted accounting principles since authorities are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Operations and Agency Net Financial Position and in the Statement of Financial Position are not necessarily the same as those provided through authorities from Parliament. Note 3 provides a high level reconciliation between the bases of reporting. The planned results amounts in the Statement of Operations and Agency Net Financial Position are the amounts reported in the future-oriented financial statements approved in February 2013 and included in the *2013-14 Report on Plans and Priorities (RPP)*. The planned results are consistent with the information presented in the RPP and are based on approved budgetary figures as of December 2012.

(b) Net cash provided by Government of Canada

The Agency operates within the Consolidated Revenue Fund (CRF), which is administrated by the Receiver General for Canada. All cash received by the Agency is deposited to the CRF and all cash disbursements made by the Agency are paid from the CRF.

The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the Government of Canada.

(c) Due from the Consolidated Revenue Fund (CRF)

The amount of due from CRF are the result of timing differences at year-end between when a transaction affects authorities and when it is processed through the CRF. Amounts due from the CRF represent the net amount of cash that the Agency is entitled to draw from the CRF without further authorities to discharge its liabilities.

(d) Revenues

Revenues for fees, permits and certificates are recognized in the accounts as the services are provided.

Funds received from external parties for specified purposes are recorded upon receipt as deferred revenue. Revenue from external parties for specified purposes is recognized in the period in which the related expenses are incurred.

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements (Unaudited)

Year ended March 31, 2014

Other revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues.

Revenues earned on behalf of Government are non-respendable and are not available to discharge the Agency's liabilities. These revenues are presented as a reduction to the Agency's revenues. While the President is expected to maintain accounting control, he or she has no authority regarding the disposition of non-respendable revenues.

As a result, non-respendable revenues are considered to be earned on behalf of Government of Canada and are therefore presented in reduction of the Agency's revenues.

(e) Expenses

Expenses are recorded on an accrual basis:

Transfer payments are recognized in the year in which the recipient has met the eligibility criteria or fulfilled the terms of a contractual transfer agreement.

Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.

Services provided without charge by other government departments for accommodation, the employer's contribution to the health and dental insurance plans and legal services are recorded as operating expenses at their estimated cost.

(f) Employee future benefits

(i) Pension benefits:

The Agency's eligible employees participate in the Public Service Pension Plan (the "Plan"), a multi-employer plan administered by the Government of Canada. Both the employees and the Agency contribute to the cost of the Plan. The Agency's contributions are expensed during the year in which the services are rendered and represent the total pension obligation of the Agency. Under present legislation the Agency is not required to make contributions with respect to actuarial deficits of the Plan.

(ii) Severance benefits:

Eligible employees are entitled to severance benefits, as provided for under labor contracts and conditions of employment. The cost of these benefits is accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits at the Agency level using specific rates provided by the Office of the Chief Actuary of Canada.

(iii) Other future benefit plans:

The Government of Canada sponsors a variety of other future benefit plans from which employees and former employees can benefit during or after employment or upon retirement. The Public Service Health Care Plan and the Pensioners' Dental Services Plan represent the two major future benefit plans available to the Agency's employees.

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements (Unaudited)

Year ended March 31, 2014

The Agency does not pay for these programs as they fall under the Government of Canada's financial responsibilities, but the Agency records its share of the annual benefits paid under these programs as a service provided without charge by other government departments. No amount is recorded in the Agency's financial statements with regard to either the actuarial liability of these programs at year end or the annual increase of such liabilities.

(g) Accounts receivable and advances

Accounts receivable and advances are stated at amounts expected to be ultimately realized; a provision is made for receivables where recovery is considered uncertain.

(h) Contingent liabilities

Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

(i) Inventory

Inventory consists of laboratory materials, supplies and livestock held for future program delivery and not intended for re-sale. It is valued at cost. If it no longer has service potential, it is valued at the lower of cost or net realizable value.

(j) Tangible capital assets

All tangible capital assets and leasehold improvements having an initial cost of \$10,000 or more are recorded at their acquisition cost. Amortization of tangible capital assets is recorded on a straight-line basis over the estimated useful life of the asset as follows:

Asset class	Amortization Period
Buildings	20-30 years
Machinery and equipment	5-20 years
Computer equipment and software	3-10 years
Vehicles	7-10 years
Leasehold improvements	Lesser of the remaining term of the lease or useful life of the improvement
Assets under construction	Once in service, in accordance with asset class

(k) Measurement uncertainty

The preparation of these financial statements requires management to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable.

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements (Unaudited)

Year ended March 31, 2014

The most significant items where estimates are used are contingent liabilities, the liability for employee severance benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

3. Parliamentary Authorities

The Agency receives most of its funding through annual Parliamentary authorities. Items recognized in the Statement of Operations and Agency Net Financial Position and the Statement of Financial Position in one year may be funded through Parliamentary authorities in prior, current or future years. Accordingly, the Agency has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

(a) Reconciliation of net cost of operations to current year authorities used:

(In thousands of dollars)	2014	2013
Net cost of operations before government funding and transfers	\$827,914	\$807,518
Adjustments for items affecting net cost of operations but not affecting authorities:		
Add (less):		
Services provided without charge by other government departments	(82,284)	(85,870)
Amortization of tangible capital assets	(32,484)	(34,395)
Revenues pursuant to Section 30 of the CFIA act	57,981	56,003
Accounts receivable and liabilities transferred to Shared Services Canada	-	(1,066)
Bad debt expense	(294)	(106)
Net changes in future funding requirements	6,827	6,648
Loss on disposal of tangible capital assets	(810)	(34)
Post-capitalization of tangible capital assets	350	48
	(50,714)	(58,772)
Adjustments for items not affecting net cost of operations but affecting authorities:		
Add (less):		
Acquisition of tangible capital assets	29,085	33,631
Proceeds from disposal of tangible capital assets	(533)	(321)
	28,552	33,310
Current year authorities used	\$805,752	\$782,056

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements (Unaudited)

Year ended March 31, 2014

(b) Authorities provided and used:

(In thousands of dollars)	2014	2013
Vote 11 - Operating expenditures	\$600,052	\$624,956
Vote 13 - Capital expenditures	26,076	39,465
Revenues pursuant to Section 30 of the CFIA act	88,248	60,758
Statutory contributions to employee benefits plans and compensation payments	140,719	121,553
Less:		
Authorities available for future years	(34,936)	(30,412)
Lapsed authority - operating	(9,796)	(26,332)
Lapsed authority - capital	(4,611)	(7,932)
Current year authorities used	\$805,752	\$782,056

4. Accounts Payable and Accrued Liabilities

The following table presents details of the Agency's account payable and accrued liabilities:

(In thousands of dollars)	2014	2013
Accounts payable to other government department (OGD)	\$5,934	\$8,362
Accounts payable to external parties	41,284	44,898
	47,218	53,260
Accrued liabilities	46,139	34,679
Total	\$93,357	\$87,939

In Canada's Economic Action Plan 2012, the Government announced savings measures to be implemented by departments over the next three fiscal years starting in 2012-2013. As a result, the Agency has recorded at March 31, 2014 an obligation for termination benefits for an amount of \$850,482 (2013 - \$6,462,748) as part of accrued liabilities to reflect the estimated workforce adjustment costs.

5. Employee Benefits

(a) Pension benefits.

The Agency's employees participate in the public service pension plan (the "Plan"), which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plan benefits and they are indexed to inflation.

Both the employees and the Agency contribute to the cost of the Plan. Due to the amendment of the Public Service Superannuation Act following the implementation of provisions related to

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements (Unaudited)

Year ended March 31, 2014

the Canada's Economic Action Plan 2012, employee contributors have been divided into two groups – Group 1 relates to existing plan members as of December 31, 2012 and Group 2 relates to members joining the Plan as of January 1, 2013. Each group has a distinct contribution rate.

The 2013-2014 expense amounts to \$57,666,000 (\$58,962,000 in 2012-2013). For Group 1 members, the expense represents approximately 1.6 times (1.7 times in 2012-2013) the employee contributions and, for Group 2 members, approximately 1.5 times (1.6 times in 2012-2013) the employee contributions.

The Agency's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

(b) Severance benefits

The Agency provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation. Benefits will be paid from future authorities. Information about the severance benefits, measured for March 31, is as follows:

As part of collective agreement negotiations with certain employee groups, and changes to conditions of employment for executives and certain non-represented employees, the accumulation of severance benefits under the employee severance pay program ceased for these employees commencing in 2012.

Employees subject to these changes have been given the option to be immediately paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits on termination from the public service. These changes have been reflected in the calculation of the outstanding severance benefit obligation.

(In thousands of dollars)	2014	2013
Accrued benefit obligation, beginning of year	\$122,692	\$121,773
Expense for the year	(3,279)	13,027
Benefits paid during the year	(9,540)	(12,108)
Accrued benefit obligation, end of year	\$109,873	\$122,692

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements (Unaudited)

Year ended March 31, 2014

6. Accounts Receivable and Advances

The following table presents details of accounts receivable and advances:

(In thousands of dollars)	2014	2013
Receivables from other government departments (OGD)	\$2,903	\$3,514
Receivables from external parties	5,800	6,090
Employee advances	12	55
	8,715	9,659
Less:		
Allowance for doubtful accounts on receivables from external parties	(498)	(507)
Accounts receivable	8,217	9,152
Accounts receivable and advances held on behalf of Government	(64)	(1,043)
Net accounts receivable	\$8,153	\$8,109

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements (Unaudited)

Year ended March 31, 2014

8. Contingent Liabilities

Claims relating to both legal and employee grievances have been made against the Agency in the normal course of operations. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimate of liability is accrued and an expense recorded in the financial statements.

Amounts have been accrued for contingent liabilities as at March 31, 2014 pertaining to legal claims. The amount of the contingent liabilities for legal claims recognized is based on management's best estimate. Other legal claims against the Agency and other defendants include a class action suit related to bovine spongiform encephalopathy (BSE) for which the likelihood of liability is not determinable.

No amounts have been accrued pertaining to employee grievances as at March 31, 2014.

9. Contractual Obligations

The nature of the Agency's activities can result in some large multi-year contracts and agreements whereby the Agency will be obligated to make future payments when the services/goods are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

(In thousands of dollars)	2015	2016	2017	2018	2019 and thereafter	Total
Capital projects	\$4,556	\$2,984	\$1,391	\$-	\$-	\$8,931
Operating leases	2,223	320	320	314	4	3,181
Transfer payments	371	170	8	-	-	549
Operating contracts	14,274	6,497	503	481	19	21,774
Total	\$21,424	\$9,971	\$2,222	\$795	\$23	\$34,435

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements (Unaudited)

Year ended March 31, 2014

10. Related Party Transactions

The Agency is related as a result of common ownership to all Government of Canada departments, agencies, and Crown corporations. The Agency enters into transactions with these entities in the normal course of business and on normal trade terms.

(a) Services provided without charge by other government departments

During the year, the Agency received the employer's contribution to the health and dental insurance plans, accommodation, and legal services, without charge from other government departments. These amounts have been recognized in the Agency's Statement of Operations and Agency Net Financial Position as follows:

(In thousands of dollars)	2014	2013
Employer's contribution to the health and dental insurance plans	\$39,832	\$42,978
Accommodation	30,372	31,101
Legal services	660	928
Shared Services Canada expenses	11,420	10,863
	<u>\$82,284</u>	<u>\$85,870</u>

(b) Other transactions with related parties

(In thousands of dollars)	2014	2013
Accounts receivable from other government departments and agencies	\$2,903	\$3,514
Accounts payable to other government departments and agencies	5,934	8,362
Expenses – Other Government departments and agencies	120,881	113,245
Revenues – Other Government departments and agencies	540	371

11. Segmented information

Presentation by segment is based on the Agency's program activities architecture. The presentation by segment is based on the same accounting policies as described in the Summary of significant accounting policies in note 2. The following table presents the expenses incurred and revenues generated by program, by major object of expenses and by major type of revenues. The segment results for the period are as follows:

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements (Unaudited)

Year ended March 31, 2014

	2014					2013	
	(in thousands of dollars)						
	Food Safety Program	Animal Health and Zoonotics Program	Plant Resources Program	International Collaboration and Technical Agreements	Internal Services	Total	Total
Transfer Payments							
Compensation payments	\$ -	\$57,604	\$689	\$ -	\$ -	\$58,293	\$38,309
Other	310	365	25	1,426	-	2,126	1,486
Total transfer payments	310	57,969	714	1,426	-	60,419	39,795
Operating Expenses							
Salaries and employee benefits	308,260	106,855	72,401	33,970	82,900	604,386	613,349
Professional and special services	32,059	11,098	7,940	509	29,637	81,243	70,363
Accommodation	20,073	8,438	5,134	1,698	4,132	39,475	40,436
Amortization	14,850	7,867	3,609	1,478	4,679	32,483	34,395
Travel and relocation	10,850	3,765	2,204	1,073	2,314	20,206	19,058
Utilities, materials and supplies	8,508	6,544	3,380	260	495	19,187	19,449
Communications	5,249	2,778	1,276	521	1,909	11,733	11,232
Furniture and equipment	3,514	1,598	635	44	786	6,577	6,624
Repairs	2,426	1,746	871	83	1,102	6,228	6,233
Equipment rentals	645	371	341	16	812	2,185	1,925
Information	260	91	204	13	368	936	1,859
Loss on disposal of assets	370	196	90	37	117	810	34
Miscellaneous	217	76	42	17	110	462	469
Expenses incurred on behalf of Government	-	-	-	-	178	178	(70)
Total operating expenses	407,281	151,423	98,127	39,719	129,539	826,089	825,356
Total expenses	407,591	209,392	98,841	41,145	129,539	886,508	865,151
Revenues							
Inspection fees	28,971	905	5,392	6,804	-	42,072	42,116
Registrations, permits, certificates	2,140	818	837	4,830	-	8,625	8,829
Miscellaneous fees and services	244	1,421	1,523	1,120	518	4,826	4,852
Establishment license fees	2,054	-	13	-	-	2,067	1,783
Administrative monetary penalties	-	534	573	-	114	1,221	2,012
Grading	148	-	-	4	-	152	175
Interest	-	-	-	-	30	30	32
Revenues earned on behalf of Government	-	-	-	-	(399)	(399)	(2,166)
Total revenues	33,557	3,678	8,338	12,758	263	58,594	57,633
Net cost of operations	\$374,034	\$205,714	\$90,503	\$28,387	\$129,276	\$827,914	\$807,518

CANADIAN FOOD INSPECTION AGENCY

Notes to the Financial Statements (Unaudited)

Year ended March 31, 2014

12. Comparative information

Comparative figures have been reclassified to conform to the current year's presentation

Summary of the assessment of effectiveness of the systems of internal control over financial reporting and the action plan of the Canadian Food Inspection Agency for fiscal year 2013–14 (unaudited)

Annex to the Statement of Management Responsibility Including Internal Control over Financial Reporting

(unaudited)

1. Introduction

This document provides summary information on the measures taken by the Canadian Food Inspection Agency (CFIA or the Agency) to maintain an effective system of internal control over financial reporting (ICFR), including information on internal control management and assessment results and related action plans.

Detailed information on the CFIA's authority, mandate and program activities can be found in the Agency's *Departmental Performance Report* and *Report on Plans and Priorities*.

2. Agency system of internal control over financial reporting

2.1 Internal Control Management

The CFIA has a well-established governance and accountability structure to support departmental assessment efforts and oversight of its system of internal control. An Agency internal control management framework, approved by the President, is in place and includes:

- Organizational accountability structures as they relate to internal control management to support sound financial management, including roles and responsibilities of senior managers in their areas of responsibility for control management;
- Values and ethics;
- Ongoing communication and training on statutory requirements, and policies and procedures for sound financial management and control; and
- At least semi-annual monitoring of and regular updates on internal control management, as well as the provision of related assessment results and action plans to the President and departmental senior management and, as applicable, the Agency Audit Committee.

The Agency Audit Committee provides advice to the President on the adequacy and functioning of the Agency's risk management, control and governance frameworks and processes.

(unaudited)

2.2 Service arrangements relevant to financial statements

The Agency relies on other organizations for the processing of certain transactions that are recorded in its financial statements:

Common arrangements

- Public Works and Government Services Canada (PWGSC) centrally administers pay services and the procurement of goods and services, as per the Agency's Delegation of Authority, and provides accommodation services;
- The Treasury Board Secretariat provides the Agency with information used to calculate various accruals and allowances;
- The Department of Justice provides legal services to the CFIA; and
- Shared Services Canada (SSC) provides IT infrastructure services to the Agency in the areas of data centre and network services. The scope and responsibilities are addressed in the interdepartmental arrangement between SSC and the Agency.

Specific arrangements

- Agriculture and Agri-Food Canada (AAFC) provides the CFIA with:
 - The SAP financial system platform to capture and report all financial transactions;
 - The Enterprise data warehouse to report financial information; and
 - The PeopleSoft human resource system platform to manage pay and leave transactions.

3. Agency assessment results during fiscal year 2013-14

The key findings and significant adjustments required from the current year's assessment activities are summarized below.

New or significantly amended key controls: In the current year, there were no significantly amended key controls in existing processes which required a reassessment. Design and operating effectiveness testing was conducted on any new key controls identified. Significant adjustments were not required for the new key controls.

Ongoing monitoring program: As part of its rotational ongoing monitoring plan, the Agency completed its reassessment of entity-level controls within People Management, Information Technology General Controls within SAP/Enterprise and the financial controls within the business processes of Pay and Financial Close & Reporting. For the most part, the key controls that were tested performed as intended, with remediation required as follows:

- Strengthen controls over verification of pay transactions and related quality assurance activities; and
- More frequent review of pay system user access to ensure incompatible functions are segregated.

(unaudited)

4. Departmental Action Plan

4.1 Progress during fiscal year 2013-14

The CFIA continued to conduct its ongoing monitoring according to the previous fiscal year's rotational plan as shown in the following table:

Previous year's rotational ongoing monitoring plan for current year	Status
Complete on-going operating effectiveness testing for People Management, SAP Enterprise and Financial Close & Reporting.	Completed as planned; no remedial actions required.
Complete on-going operating effectiveness testing for Pay.	Completed as planned; remedial actions in progress.
Continue to follow up on outstanding improvement opportunities identified in previous years.	Improvement opportunities are substantially completed for Capital Assets and are in progress for IT Access Control and Revenue. Other improvement opportunities identified in previous years have been fully implemented.

4.2 Action Plan for the next fiscal year and subsequent years

The CFIA's rotational ongoing monitoring plan over the next three years, based on an annual validation of risks and controls and related adjustments as required, is shown in the following table.

Key Control Areas	2014-15	2015-16	2016-17
Entity level controls			
Values and Ethics	No	Yes	No
Governance	No	Yes	No
Risk Management	Yes	No	Yes
Financial Management	Yes	No	Yes

(unaudited)

People Management	No	Yes	No
Information technology general controls under Agency management			
Access Control and Change Management	Yes	No	Yes
SAP/Enterprise	No	No	Yes
PeopleSoft	No	Yes	No
Electronic Invoicing	No	Yes	No
Business Process Controls			
Pay	Yes	Yes	Yes
Non-Pay (Operating and Maintenance)	No	Yes	No
Revenue	Yes	No	Yes
Capital Assets	Yes	No	Yes
Financial Close and Reporting	Yes	Yes	Yes
Statutory Compensation Payments	No	Yes	No

In addition to the risk-based on-going monitoring plan, the Agency will continue to address outstanding remediation and will also conduct internal control assessment work to support the transfer of pay services to the PWGSC Public Service Pay Centre.

3.3 Supplementary Information Tables

The supplementary information tables listed in the 2013–14 *Departmental Performance Report* can be found on Canadian Food Inspection Agency's website^{xxvi}.

- Departmental Sustainable Development Strategy;
- Details on Transfer Payment Programs;
- Horizontal Initiatives;
- Internal Audits and Evaluations;
- Response to Parliamentary Committees and External Audits;
- Sources of Respendable and Non-Respendable Revenue;
- Status Report on Projects Operating With Specific Treasury Board Approval; and
- User Fees Reporting.

3.4 Tax Expenditures and Evaluations Report

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures annually in the *Tax Expenditures and Evaluations*^{xxvii} publication. The tax measures presented in the *Tax Expenditures and Evaluations* publication are the sole responsibility of the Minister of Finance.

Section IV: Organizational Contact Information

Contact the Canadian Food Inspection Agency via:

Telephone from Monday to Friday 08:00 to 20:00 Eastern time:

Toll Free: 1-800-442-2342

NCR: 1-613-225-2342

TTY: 1-800-465-7735

Internet: <http://www.inspection.gc.ca/english/util/contact/commene.shtml>

Appendix: Definitions

appropriation: Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures: Include operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Departmental Performance Report: Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Reports on Plans and Priorities. These reports are tabled in Parliament in the fall.

full-time equivalent: Is a measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government of Canada outcomes: A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

Management, Resources and Results Structure: A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

non-budgetary expenditures: Include net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance: What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve and how well lessons learned have been identified.

performance indicator: A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting: The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

planned spending: For Reports on Plans and Priorities (RPPs) and Departmental Performance Reports (DPRs), planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their RPPs and DPRs.

plans: The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

priorities: Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

program: A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

results: An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

Program Alignment Architecture: A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

Report on Plans and Priorities: Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

Strategic Outcome: A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program: A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target: A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

whole-of-government framework: Maps the financial contributions of federal organizations receiving appropriations by aligning their Programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.

Endnotes

- i *Canadian Food Inspection Agency Act*: <http://laws.justice.gc.ca/eng/acts/C-16.5/>
- ii *Agriculture and Agri-Food Administrative Monetary Penalties Act*: <http://laws-lois.justice.gc.ca/eng/acts/A-8.8/>
- iii *Food and Drug Act*: <http://laws.justice.gc.ca/eng/acts/F-27/>
- iv *Safe Food for Canadians Act*: <http://laws.justice.gc.ca/eng/acts/S-1.1/>
- v *Canada Agricultural Products Act*: <http://laws.justice.gc.ca/eng/acts/C-0.4/>
- vi *Consumer Packaging and Labelling Act*: <http://laws.justice.gc.ca/eng/acts/C-38/>
- vii *Fish Inspection Act*: <http://laws.justice.gc.ca/eng/acts/F-12/>
- viii *Meat Inspection Act*: <http://laws.justice.gc.ca/eng/acts/M-3.2/>
- ix *Fertilizers Act*: <http://laws.justice.gc.ca/eng/acts/F-10/>
- x *Plant Breeders' Rights Act*: <http://laws.justice.gc.ca/eng/acts/P-14.6/>
- xi *Plant Protection Act*: <http://laws.justice.gc.ca/eng/acts/P-14.8/>
- xii *Seed Act*: <http://laws.justice.gc.ca/eng/acts/S-8/>
- xiii *Health of Animals Act*: <http://laws.justice.gc.ca/eng/acts/H-3.3/>
- xiv *Feeds Act*: <http://laws-lois.justice.gc.ca/eng/acts/F-9/>
- xv Whole of Government Framework Spending Area: <http://www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx>
- xvi Public Accounts of Canada 2014, <http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html>
- xvii Integrated Agency Inspection Model: <http://www.inspection.gc.ca/about-the-cfia/accountability/inspection-modernization/integrated-agency-inspection-model/discussion-paper/eng/1392747055378/1392747255468>
- xviii Pre-Requisite Employment Program (PREP): <http://www.inspection.gc.ca/about-the-cfia/accountability/inspection-modernization/inspector-training/eng/1356144744048/1356145141989>
- xix Food Labelling Modernization Initiative: <http://www.inspection.gc.ca/food/labelling/labelling-modernization-initiative/eng/1370111174659/1370111346666>
- xx *E.coli* 0157:H7 contamination in raw beef products: <http://www.inspection.gc.ca/english/fssa/meavia/man/ch4/annexoe.shtml>
- xxi BSE: <http://www.inspection.gc.ca/about-the-cfia/accountability/other-activities/audits-reviews-and-evaluations/enhanced-feed-ban-program/eng/1373570809946/1373570846753>
- xxii Feed: <http://www.inspection.gc.ca/about-the-cfia/accountability/other-activities/audits-reviews-and-evaluations/enhanced-feed-ban-program/eng/1373570809946/1373570846753>
- xxiii Fertilizer: <http://www.inspection.gc.ca/about-the-cfia/accountability/other-activities/audits-reviews-and-evaluations/fertilizer-program/eng/1380910436894/1380910557532>
- xxiv Plant Breeders Rights: <http://www.inspection.gc.ca/plants/plant-breeders-rights/eng/1299169386050/1299169455265>
- xxv Complaints and Appeals first Annual Report: <http://www.inspection.gc.ca/about-the-cfia/accountability/complaints-and-appeals/annual-report-2012-2013/eng/1387403896704/1387403927752>
- xxvi All electronic supplementary information tables listed in the 2013–14 Departmental Performance Report can be found at <http://www.inspection.gc.ca/about-the-cfia/accountability/reports-to-parliament/2013-2014-dpr/eng/1409769354767/1409769355486?chap=5>
- xxvii *Tax Expenditures and Evaluations publication*, <http://www.fin.gc.ca/purl/taxexp-eng.asp>

